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29 January 1986

# Latin America Report

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29 January 1986

# LATIN AMERICA REPORT

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INTER-AMERICAN AFFAIRS

JAMAICAN GOVERNMENT REPORTS ON OFFICIAL'S VISIT TO HAITI

Kingston THE DAILY GLEANER in English 6 Dec 85 p 2

[Text] The Minister without Portfolio of the Ministry of Foreign Affairs, the Hon. Oswald Harding, paid a visit of friendship to Haiti during November 26-28, accompanied by his wife and by Mrs Evadne Coxe, Deputy Director in the Political Division of the Jamaican Foreign Ministry.

A press release issued by the Ministry said that Mr. Harding met members of the Haitian Government, specifically the Minister of State for Foreign Affairs, Mr. Jean Robert Estime, and Director General of the Haitian Institute of Arts and Culture, Mr. Gaston Hermantin; and representatives of the Haitian cultural and artistic fields.

Messrs. Estime and Harding met "in a climate of mutual confidence and understanding," in which they "held a wide-ranging discussion on questions of common interest concerning the political and economic situation in the regional and international fields."

"They particularly emphasized the grave difficulties which despite the economic recovery, continue to affect the majority of countries of Latin America and the Caribbean. They equally expressed the profound concern of their Governments about the current situation in South Africa and condemned the Apartheid system of Pretoria," the press release said.

Both Ministers manifested their Governments' desire to strengthen within the context of existing institutions, the development of mutually advantageous regional co-operation, and to promote the reinforcement of the regional integration process.

They also stressed the need to increase bi-lateral consultation in the area of foreign policy; and reaffirmed the strong determination of their Governments to obtain the maximum benefits from the Caribbean Basin Initiative (CBI) through positive action.

They underlined the concern of both Governments about the situation in Central America and reiterated the total support of Jamaica and Haiti for the efforts actively deployed by the Contadora

American crisis.

Both Ministers also reviewed the principal themes of the next sessions of General Assembly of the Organization of American States (OAS) as well as of the Latin American Economic System (SELA), on which there was a wide convergence of views between both sides.

In the bilateral area, they made a "deep examination" of Haitian/Jamaican relations and affirmed the mutual disposition and strong will of both Governments to increase exchanges between their countries in all fields and to reinforce relations in the economic, cultural, educational, commercial, scientific and technological fields.

In this regard, both Ministers expressed the interest of their Governments to promote co-operation in the educational field and facilitate student-exchange between both countries.

For his part, the Haitian Foreign Minister stated his Government's interest in undertaking commercial exchanges with Jamaica particularly as concerns the exportation of handicrafts, paintings and other objects of popular art.

Both Ministers shared a constructive view on the concrete possibilities of co-operation in the areas of fishing and construction.

To achieve the above-mentioned objectives, they decided that a technical mission from Haiti should visit Jamaica early in 1986.

The Minister of State for Foreign Affairs of Haiti expressed his pleasure with the visit of friendship to Haiti by the Minister without Portfolio in the Jamaican Ministry of Foreign Affairs, to strengthen the relations which so happily already exist between both countries.

Mr. Harding, for his part, expressed his sincere appreciation to the Government of the Republic of Haiti for the warm welcome given to him and his wife. He offered his Haitian counterpart an invitation to visit Jamaica, which was accepted.

INTER-AMERICAN AFFAIRS

PERU, CHILE ISSUE JOINT STATEMENT AFTER MINISTERS' MEETING

Lima EL COMERCIO in Spanish 30 Nov 85 p A-4

[Statement issued in Lima, 29 Nov 85]

[Text] At the conclusion of the 2-day working meeting between the foreign ministers of Peru, Allan Wagner, and Chile, Jaime del Valle, the following document was signed yesterday in the Torre Tagle Palace,

Joint Statement

On 28 and 29 November 1985, a working meeting was held in the city of Lima between the ministers of foreign relations of Peru and of Chile, Messrs Allan Wagner Tizon and Jaime del Valle Allende, respectively.

During his visit, the foreign minister of Chile was received by the president of the republic of Peru, Dr Alan Garcia Perez. Mr del Valle delivered to the president a personal letter from his excellency, the president of the republic of Chile, Gen Augusto Pinochet Ugarte.

The conversations of the foreign ministers took place in an atmosphere of great cordiality and were guided by a spirit of understanding and friendship, always bearing in mind that the closest agreement between Peruvians and Chileans will help their peoples to advance along the course of peace, co-operation, and development.

On this occasion substantive progress was made toward reaching agreements on matters discussed in the meeting between the two foreign ministers in the city of Arica in the beginning of November.

1. Decisions and positions were adopted on the complete execution of the fifth, seventh, and 11th clauses of the Treaty of Lima of 3 June 1929, and the second clause of its Complementary Protocol,
2. Concerning the harbor seawall facility built by Chile on behalf of Peru, the ministers decided that, without prejudice to the general administration which the Chilean authorities exercise over the port

of Arica, the autonomous operation of this seawall facility will be under the authority of the appropriate Peruvian officials.

3. Concerning the building intended to serve as the customs agency which has been built on the seawall, the government of Chile will make the expansions which have been agreed upon in order to provide more efficient service.
4. The site where the new terminal station of the Arica to Tacna railway will be built was decided. It will be aligned with the longitudinal axis of the harbor seawall facility, so that the two facilities will provide an integrated system for operation and use.
5. These facilities and areas form part of an integrated service system which the appropriate Peruvian authorities will operate independently of the provisions of the Treaty of Lima of 1929.
6. Without prejudice to the above statement, in conformity with the Treaty of 1929, Chile will maintain its sovereignty and jurisdiction over these areas and establishments.
7. The Peruvian officials appointed to administer the operation and use of the above-cited facilities will have a special foreign workers tax system applied to them.
8. Concerning the construction of the symbolic monument that will be placed on the headlands of Arica, the foreign minister of Peru expressed his government's approval of the design proposed by Chile. The foreign minister of Chile stated that his government will begin work on it as soon as possible.
9. The foreign ministers reached agreements to provide a definitive solution for the issues related to the existence of occupied real property owned by the government of Chile in Tacna and owned by Peru in Arica. According to these agreements, the government of Peru will concede these properties so that Chile may reopen its consulate in Tacna, and the government of Chile will guarantee the inviolable status of the Peruvian property in Arica, known as the "Bolognesi" and "Yanulaque" houses.
10. In compliance with what was agreed at the Arica session concerning meetings of top armed forces officers to begin discussions designed to limit spending on arms purchases, to promote mutual confidence, and the development of a concept of security appropriate for the close friendship and growing cooperation between the two nations, the ministers agreed that these meetings will be held alternately in Chile and in Peru. The first such session will be held in Lima



next May, between the commanding generals and commanders in chief of the respective armed forces, who will be advised by their foreign ministries.

11. The ministers adopted a decision to proceed with the preparatory treaties for the seventh meeting of the Joint Standing Commission on Peruvian-Chilean Cooperation which will be held in Santiago, Chile in March 1986, on the occasion of the visit by the foreign minister of Peru, in order to intensify the ties of cooperation and integration uniting the two nations. In addition, they noted with satisfaction the results of the fourth meeting of the Joint Standing Subcommittee on Border Cooperation which was held recently, as decided at the working session held in Arica.

Foreign minister del Valle expressed to foreign minister Wagner his appreciation and that of the entire Chilean delegation for the warm and cordial hospitality and attentions which were paid them and their party during their stay in Lima.

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CSO: 3348/280

INTER-AMERICAN AFFAIRS

PERU, ECUADOR RENEW STUDY OF RIVER DEVELOPMENT PROJECT

Lima EL COMERCIO in Spanish 1 Dec 85 p 4

[Interview with engineer Biaggio Arbulu Galliani, head of the National Development Institute, by Manuel Cisneros Milla]

[Text] Question: What is the past history of the Peruvian-Ecuadorean use of this river?

Answer: In 1971 an agreement was signed by the governments of Peru and Ecuador to make joint use of the waters of the Puyango River (the name of the river in Ecuador) or the Tumbes River (its name in Peruvian territory). The water would be used to irrigate thousands of hectares of land and to generate electricity. To be more specific, on 27 September of that year they agreed to use the binational watersheds of the Puyango-Tumbes and Catamayo-Chira for the benefit of the national interests of both countries. They then agreed to unite their efforts for the reasonable and equitable use of the water resources of these watersheds.

Question: Why has there been a delay of nearly 15 years in beginning or continuing this project?

Answer: Regrettably, the problems which arose related to the Condor events in 1980 interrupted the meetings of the Binational Commission, but fortunately the meetings of the two national subcommissions have been resumed, and just a few days ago, the Joint-Peruvian-Ecuadorean Commission was able to reach a series of technical agreements, practically guaranteeing the viability of this project.

Question: Is it true that there were as many as 11 alternative proposals for the use of these waters?

Answer: That's right, and now there still are many parameters involved before reaching the final design, but the most important thing is that a decision has already been made for the definitive option. It will be an integral project that will enable us to make adequate use of the 3.5 billion cubic meters of water that now end up in the sea.



Question: How will our countries benefit from the use of this water?

Answer: The project includes the irrigation of no less than 36,000 new hectares in Peru and 50,000 new hectares in Ecuador. It will also generate no less than 40 megawatts (40 million kilowatts) of electricity for Peru. In addition, it will provide flood control for the Tumbes River in agricultural and urban areas, and increase the potential for the development of fishing, tourism, and navigation in the planned lakes, and provide a supply of drinking water for rural and urban areas.

Question: Getting back to the way in which the planning is being done, how many commissions are now working, and which projects have been initially planned?

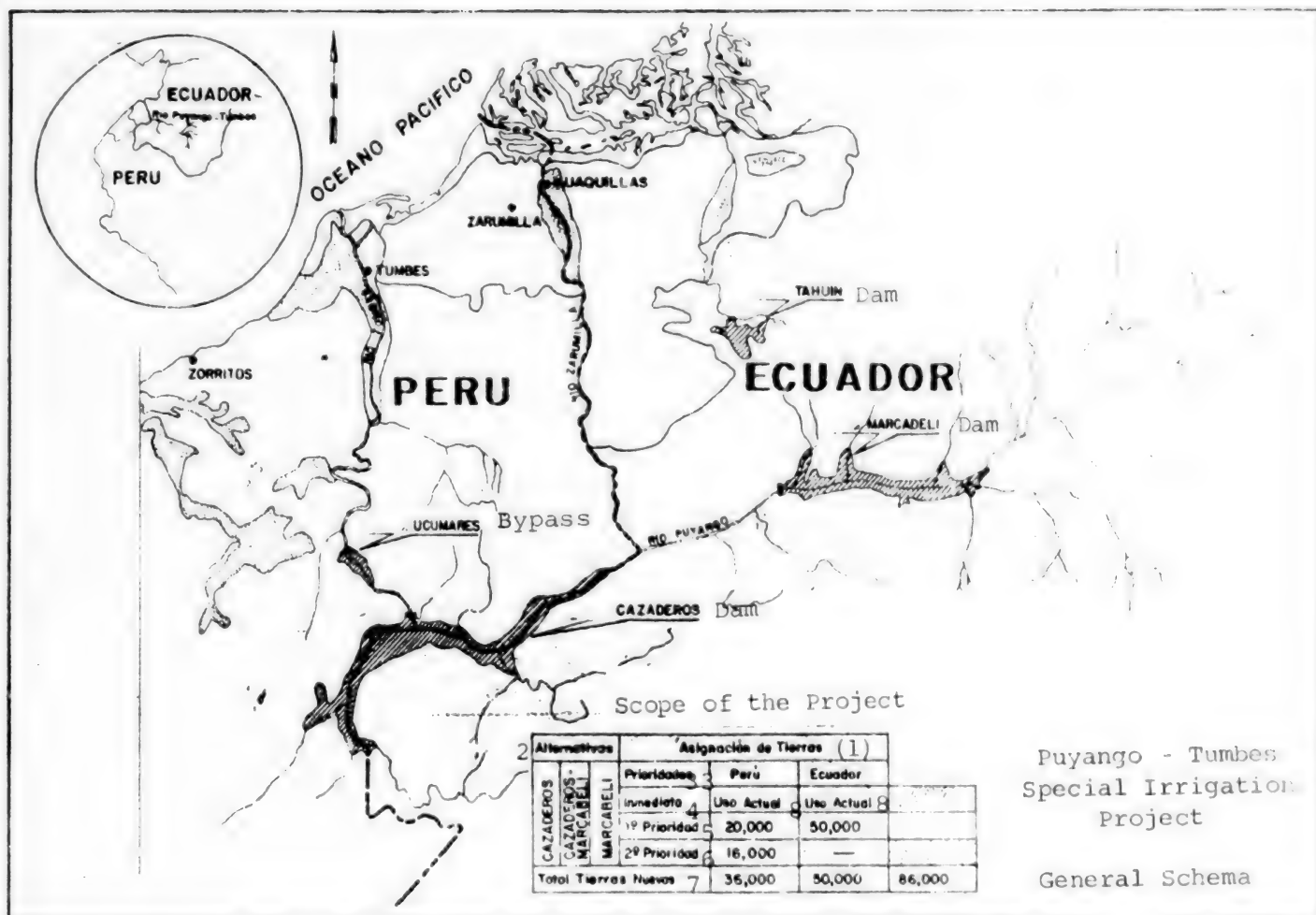
Answer: To handle this project, the two countries set up the Joint Peruvian-Ecuadorean Commission, which has two subcommissions, one Ecuadorean and the other Peruvian. The Peruvian subcommission is now chaired by the head of the INADE [National Development Institute], and its members are representatives from: the ministries of agriculture; energy and mines; industry, tourism and integration; the National Planning Institute; and the Joint Armed Forces Command.

The Joint Commission hired a consortium of consulting firms from the United States, Peru, and Ecuador to develop the various engineering alternatives that would make the project viable. They determined as the project's major components a dam in Ecuadorean territory named Marcabeli, with a capacity of 1.4 billion cubic meters, and another dam in Peruvian territory named Cazaderos, with a 3.2 billion cubic meter capacity. For the purposes of comparison, and to give you an idea of the size of this dam, remember that the Poechos dam, the dam with the largest capacity now in Peru, has a capacity of 1 billion cubic meters.

Question: Getting back to the latest meeting in Quito, what aspects of the project merited your special attention?

Answer: We have to point out that for a long time factors of a technical nature had blocked the approval of this project. This fundamental aspect was resolved at the last meeting in Quito. We should also mention the fact that, after 150 years, a Peruvian foreign minister made an official visit to Ecuador, and coincidentally with that visit, the Joint Peruvian-Ecuadorean Commission was reinstated, and received formal instructions to proceed with the project.

Question: What is the current status of the studies for this project?



The Puyango-Tumbes Project will benefit major areas along our borders.

Key:

1. Land allocation
2. Alternatives
3. Priorities
4. Immediate
5. First priority
6. Second priority
7. Total new lands
8. Current use

Answer: The IDB [Inter-American Development Bank] is now analyzing the requirements determined by the Joint Commission in order to finance the detailed studies. In addition, the national subcommissions have agreed to meet in an ongoing manner in the area of the project, as they have been doing since last week.

Question: What specific areas of Peru and Ecuador will benefit from the completion of this project?

Answer: On the Ecuadorean side, the Arenillas area will receive water from the Puyango, and on the Peruvian side, the area between the right bank of the Tumbes River and our border at Aguas Verdes. It will also be possible to irrigate part of the left bank of this river, in the areas of Rica Playa, Pueblo Joven, La Bocana, and Casitas up to the Zorritos area.

We must say that this project is part of the policy of giving priority to the agricultural sector, as stipulated by the state constitution, for it will permit a major expansion of the agricultural frontier in an area like Tumbes, which is losing farmlands, as this land is becoming--partially--a shellfish area.

Question: What is the timeframe for the project's execution?

Answer: That depends on the priority assigned to it. We in the INADE are prepared to work fast on everything related to the engineering work, as there are many studies, calculations, and much research still to be done. If the proper priority--which in our view this project deserves--is granted, then the studies for which we are responsible will be completed within a maximum period of 1 and 1/2 years.

Question: How much will this project cost?

Answer: It will cost Peru \$250 million over a 4-year period, plus 1 and 1/2 years for studies until the project can be completed.

Question: It also seems to us that this project is of particular importance in terms of our relations with our neighbor to the north.

Answer: That's true, since we will have an opportunity to work together on a project of benefit to both of us. In addition, in this area we have no problems with border disputes. We believe that our peoples will work together to achieve the development they deserve. Our relations will become closer and more fraternal through this type of project. So we have great enthusiasm for translating into reality an idea that began to germinate 15 years ago.

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BRAZIL

# TENSIONS IN U.S.-BRAZILIAN RELATIONS EXAMINED

Rio de Janeiro O GLOBO in Portuguese 9 Jan 86 p 3

[Editorial: "Contrived Tension"]

[Text] Brazilian-U.S. relations are particularly tense because of problems in three areas: 1) the monopoly on the computer market, which is a bilateral dispute; 2) the upcoming GATT negotiating round, which is a multilateral dispute; and 3) the foreign debt.

The attitude of Itamaraty and other government sectors is increasingly challenging and less conducive to dialogue with our largest trade partner and main creditor.

The bilateral dispute has its source mainly in the protectionist pressures of the U.S. Congress. These pressures have been resisted by President Reagan, as he did in the case of Brazilian shoes. But the fact remains that President Reagan hurriedly invoked Section 301 of the Commerce Law in the computer case with Brazil, which in fact created a situation that should be side-stepped rather than made worse. The Americans know that the Brazilian Government does not have much room to maneuver on account of the Brazilian Informatics Law. But there is no other way than to go through with the ritual of discussing the problems between the two countries, at least to simply affirm their respective positions again.

However, there are sectors in the Brazilian Government that are reluctant to talk, because they consider talking to be a sign of weakness that is detrimental to national sovereignty. Or perhaps this reluctance is no more than a behavioral expression of an inferiority complex.

The Americans are proposing a meeting for late January or early February, anywhere in the world and dispensing with publicity. They need to hold that meeting to comply with the formalities of their law. To refuse to attend a meeting, even just to confirm the Brazilian position, will leave the way open for a virtually imperative retaliation. And then, if that retaliation is imposed, the fact will be exploited here and will lead to reciprocal recriminations that will poison relations between the two countries, which seems to be the objective of some officials.

Foreign Minister Olavo Setubal, who has already entered the electoral campaign, might not exert himself to bring about a reasonable solution. Ambassador Correia da Costa, in turn, does not seem to be warning Itamaraty sufficiently about the risk of a more serious cooling of relations with the United States. And those who want to see the circus catch fire can hardly wait.

The U.S. answer should be given in the next few days. If the answer is negative, it will just create a stalemate and upset relations.

At the new round Of GATT negotiations, the United States wants to extend the GATT rules, now applied to goods trade, also to the service trade. Leading a group of underdeveloped countries, Brazil has been stoutly opposed, since 1981, to even discussing the matter, thus creating a climate of confrontation with the Americans. The latter mainly complain about the unnecessarily aggressive and inconsiderate rhetoric of the Brazilian representatives.

On the foreign debt issue, it is obvious that the U.S. good offices (those of the Treasury and Federal Reserve Board) before the banks, the IMF and the World Bank, are relevant for conducting the negotiations. Misunderstandings, unwarranted rhetoric, and lack of courtesy do not help and only contribute to a crisis situation that may lead to what the leaders of the bank functionaries are avowedly seeking: the nationalization of banks, as happened in Mexico in 1982, forced by the crisis.

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CS0: 3342/59

CHILE

# ENAER TO SELL MISSILE TEST STANDS

Santiago LA NACION in Spanish 5 Dec 85 p 40

[Text] In the next few days, ENAER [National Aeronautical Enterprise] will begin to deliver the first 10 Pillan training planes of a total of 40 purchased by the Spanish Aviation School. It is also talking to other industrialized countries interested in buying the missile test stands made in Chile. Our country is building electronic war materiel at a cost eight times lower than on the foreign market. This is only made in six countries.

This was announced yesterday by General Fernando Matthei Aubel, commander in chief of the FACH [Chilean Air Force] and member of the Government Junta. He gave a talk on "Projection of the FACH and its relationship with national development" in which he pointed out the advances achieved by that institution, especially on the professional and technical plane and in the construction of airplanes.

Now

Gen Matthei said: We have now achieved a complete system of which we are openly proud. It has been created in order to manufacture well what we think is essential in times of conflict: rapid intervention with a resolute and superior force even when, in general, we are clearly inferior to any of our neighbors; and concentration of our means in order to intervene rapidly and effectively anywhere within the required time.

He added: I believe we have achieved a decisive advantage despite having human and material means inferior to the forces of any of our neighbors. We have probably spent one-fifth or one-fourth of what they have spent.

However, we are convinced that we have sufficient capacity to defend what is ours. However, he emphasized, we hope that it will never be necessary to use it.

As to the development of the FACH, he said: "We do not want to spend the patrimony of all Chileans in order to have something large and showy. We want to have a strictly necessary Air Force to fulfill the function of defense. It will never be a threat to anyone, to any neighbor, but will force them to



think twice before deciding to attack us and, after thinking twice, decide not to attack."

He emphasized: "In this way, we will have preserved peace which is what interests us most. Then everyone can, through his efforts, contribute to the development of our nation and make it great, not with territorial conquests which do not interest any Chilean, but with the conquest of markets which interests all of us."

#### ENAER

Referring specifically to ENAER, he indicated that the idea is to compete at the international level and reduce costs at the national level.

He stated that about 25 percent is saved in dollars for the Casa airplanes. As to the Pillan planes which are being manufactured with national and imported parts but using only Chilean technicians, they respond to the same formulas that are being used in other countries like France, Poland, and Yugoslavia, but at a much lower cost. The Pillan is the first of this series.

Although it does not have prestige yet in the international market, Gen Matthei said, we have already sold one shipment of 40 airplanes to Spain. We think our quality control is the most advanced now at the level of a military aeronautical industry.

Stating that Chile is in the position to export these airplanes on a larger scale, he reported that there are other industrialized countries interested in acquiring the missile test stands which ENAER is manufacturing. They have a much lower cost than those that are being sold on the market (\$9 million) and are better than those that the country that makes the missiles is manufacturing.

He added that we are introducing our electronic war materiel, a system that has been developed at one-eighth the cost of what is being sold internationally.

Only six countries now make with this equipment, according to Gen Matthei, adding that Chile will be able to join this club.

As to armaments and explosives for the FACH, he stated that the Cardoen industry is supplying the institution. It no longer has to beg to buy them abroad.

How far we reach with our industry, he said, will depend on us. We must work to conquer new markets. There is no other alternative.

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CSO: 3348/284



CHILE

CORFO MANAGER DISCUSSES SALE OF STATE ENTERPRISES

Santiago HOY in Spanish 2 Dec 85 pp 35-36

[Interview with Major Jose Martinez Munoz, normalization manager of CORFO, at his office; date not specified]

[Text] Army Maj Jose Martinez Munoz (37 years old, married with one son) is very clear about his responsibility in the delicate process of selling 30 percent of the assets of a group of major state enterprises. As normalization manager of CORFO [Production Development Corporation], he was assigned to develop and supervise the operation. He is not the least bit affected by criticisms that have arisen, especially from opposition sectors.

He is prepared to answer any question about the sales procedure, but not questions about the government's philosophy and objectives in undertaking the plan. Maj Martinez Munoz states his position as a technician. When he answers questions of this nature, he automatically goes to the operational level. This might be due to his long economic career in the military.

It could be said that Maj Martinez Munoz has only spent 50 percent of his short career in the military after starting in the Armored Cavalry in 1969. The other 50 percent has been spent in many positions in the economic sector. In 1979, he was technical secretary and cabinet chief of the Undersecretariat of Economy. He became adviser to the Undersecretariat of Finance in 1980, cabinet chief and alternate under secretary of economy in 1981 and 1982, secretary of coordination of ODEPLAN [National Planning Office] in 1982 and 1983, and then normalization manager of CORFO.

He received a master's in economic sciences (U. of Chile) and was director of several state enterprises (SOQUIMICH [Chilean Chemical and Mining Association], LA PRENSA newspaper, Proquim-Enaex, the Telephone Company, ECOM, and the Railroad). He was also chairman of the Antimonopoly Prevention Commission in 1981 and 1982.

He received HOY at his CORFO office, ready to tell the public about the process to sell shares of state enterprises.

[Question] What is your opinion on the progress of the process to sell shares?

[Answer] I am in charge of the process since I am the head of the CORFO unit assigned to carry it out. The policy was defined at top government levels and is executed here. Well, you asked me for my personal opinion.

[Question] Not exactly, just what you observe from your key position.

[Answer] The process began with the promulgation of Law 18.398 in January 1985. In order to carry out the procedure, it was necessary to reformulate that law, dictating Law 18.420 last July. They assigned me this work in May. The preliminary work to sell shares of those basic branches of CORFO that demonstrate profitability began then.

[Question] What has been the public's reaction since the process began?

[Answer] In my opinion, it has been positive. That does not mean that there have not been some obstacles or that there has not been disagreement with the execution of this policy in some sectors.

[Question] What obstacles have there been?

[Answer] The first snag was the sale of shares to the workers of the enterprises through advance payments. At first, many unions expressed suspicion and said that they were not informed about the procedure. This led them to oppose it initially.

[Question] Wasn't the announcement of the start-up of this procedure too sudden for them?

[Answer] I think that the snag was caused by a lack of information. The workers first thought that this was going to be required by law, that they would be forced to exchange their compensation for shares. In other words, they thought that these shares would be legally forced on them. This was all solved when the vice president of CORFO met with all the workers of the branches and told them that this was strictly voluntary.

[Question] What has happened with the sale of shares to the AFP [Pension Fund Administration Boards]?

[Answer] The snags have been almost exclusively administrative. The pension funds do not yet have the capacity to administer a stock portfolio. They are used to administering more stable investments. Incorporating shares into their portfolios presents new challenges because they have to adapt their investment committees and their structure and do a different type of study. That does not mean that the AFP do not want to make these new investments.

I would say that, sooner rather than later, the pension funds will incorporate major assets in shares.

[Question] Why are you so optimistic?

[Answer] Well, because eventually state support for the investments of the AFP will have to end. For example, state insurance for fixed-term deposits will

eventually have to end and eventually the state will have to decrease its debt level with the AFP. The pension funds must diversify their investments.

[Question] Have there been snags other than administrative ones?

[Answer] Yes, but only in how the procedure is applied. The shares of CORFO enterprises that have been defined as sellable must meet a number of requirements before the Superintendency, through the Risk Classification Commission, issues a pronouncement. The process begins with a positive classification. Then there must be a decentralization agreement in which the state says: I "irrevocably" sell at least 30 percent--it can be more. The state can never recover these shares or recover its original percentage of assets. Later, the statutes are amended and the Superintendency, through the DIARIO OFICIAL, ratifies the final resolution which permits the pension funds to buy the shares.

We can carry out this entire process easily in 3 or 4 months. So far the only enterprises that have cleared all the hurdles are the three branches of CHILECTRA [Chilean Electric Company, Ltd.] and ENTEL [National Telecommunications Enterprise].

[Question] What enterprises are now being studied?

[Answer] The Telephone Company, SOQUIMICH, CAP [Pacific Steel Company] Huachipato, and Laboratorios Chile. Next year ENAEX [National Explosives Enterprise] and ENDESA [National Electric Power, Inc.] could be added. Probably 100 percent of ENAEX will be sold.

[Question] Why?

[Answer] Because CORFO has not declared ENAEX a basic enterprise.

[Question] But it is strategic since it has a monopoly over the production of explosives in the country.

[Answer] I would like to explain a difference in concept. It is not appropriate to speak of strategic enterprises here because it is a military term. When General Luis Danus was vice president of CORFO, he changed the name strategic to basic. The word strategic was considered inadequate to describe these enterprises. During his time, those enterprises that the state was going to retain possession of for various reasons were defined as basic.

[Question] What are the main reasons?

[Answer] I would say...mainly constituting a natural monopoly.

[Question] Are there other reasons?

[Answer] All the enterprises declared basic are not necessarily natural monopolies. They were included in this category because they fulfill some role of service to the community that other enterprises do not provide.

[Question] What are other reasons?

[Answer] Well, SOQUIMICH was declared basic because it was a deficit enterprise. Since it was /the big/ [in italics] industry in the north, it was necessary to continue supporting it for social reasons, to maintain a source of employment for the people of the north. It was different with ECOM which, at that time, was the big computer enterprise in the country. It provided a public service when this activity began to develop in the country. However, ECOM has already fulfilled that role, is no longer basic, and was sold to its workers.

[Question] Are all these details about the advantage or disadvantage of becoming private discussed at the executive levels of CORFO or does the order simply arrive?

[Answer] No, it is discussed and the results are communicated to the top authority.

[Question] What were the main arguments to make 30 percent of the basic branches private?

[Answer] The main argument was to give the pension funds a new source of investment, to decrease the debt to the Treasury. This idea began in the AFP Superintendency in 1983 when there was a high concentration of investments in public bonds.

[Question] Who will receive the money from the sales of shares?

[Answer] It is estimated that a total of about 60 billion pesos will be obtained. Half of this which should be collected between now and the end of 1986 will go to the Ministry of Finance to finance the budget. The other half will remain in the hands of CORFO to develop new investment projects or, rather, support the private sector with new lines of credit.

7717

CSO: 3348/284

CHILE

NINE LEADERS SUBMIT DOCUMENT PROTESTING SALE OF STATE ENTERPRISES

Santiago HOY in Spanish 11 Nov 85 pp 36-40

[Text] Although its public dissemination has been limited, the document which a group of nine professionals submitted to the vice president of CORFO [Production Development Corporation], Gen Fernando Hormazabal, requesting that the sale of stock in state enterprises be suspended, seems certain to have some profound repercussions.

The signers--Hernan Bosselin Correa, Luis Pareto Gonzalez, Ramon Briones Espinoza, Alberto and Adolfo Zaldivar Larrain, Eric Campana Barrios, Ernesto Vogel Rodriguez, Pedro Araya Diaz-Valdes, and Jose Ruiz de Giorgio--summarized the serious reasons they have for believing that the sale of shares in companies as important as CHILECTRA [Chilean Electric Company, Ltd], ENDESA [National Electric Power, Inc], ENTEL [National Telecommunications Enterprise of Chile], CAP [Pacific Steel Company], the Chilean Telephone Company, ENAEX [National Explosives Enterprise], SOQUIMICH [Chilean Chemical and Mining Company], and Chile Laboratories is in contradiction with a number of important historic and strategic precedents related to our national interest.

The full text of the document follows:

In essence, they request that the sale of shares in public enterprises be invalidated.

- a. They point out that the AFP [Pension Funds Administration Boards] are at the present time unable to acquire shares in these enterprises.
- b. They indicate that these transfers will have an impact on new rate increases for public services.
- c. They claim that, because of the current recession, the stock will be sold at prices detrimental to the public interest, and lower than its price if the nation were in a normal economic situation.
- d. They mention the eventual denationalization of public enterprises.



First Attachment: They request that letters be written to the Supreme Court and the office of the superintendent of the AFP.

Second Attachment: They enclose documents attesting to the existence of pending lawsuits.

Brig Gen Bernardo Hormazabal Gajardo, executive vice president of CORFO:

We, the citizens signing this presentation, making use of the right to petition, and acting in accordance with the appropriate legal provisions of the administrative statute, decree with force of law no 333 of 6 April 1960; with legal domicile listed in Santiago, Calle Doctor Sotero del Rio, no 326, office no 904, hereby state to the minister/executive vice president of CORFO:

1. We are writing to you in your capacity as executive officer of this corporation, in regard to matters that are now of concern to the Chilean people, and which are of course affected by economic policies made by the institution for which you are responsible.

Arrangements have been made for the sale of a large part of the following public enterprises, which are subsidiaries of CORFO: the Telephone Company of Chile; Chilectra Metropolitana; Chilectra Generacion and Quinta Region; ENDESA; ENTEL; SOQUIMICH; CAP; ENAEX; and Chile Labs.

2. These enterprises were established by CORFO to serve as fundamental supports for our national development, and they were financed with the savings of several generations of Chileans. The majority of these enterprises are monopolies and provide essential public services to the people of Chile.

At the time they were founded, it was believed--and rightly so--that the tasks performed by these companies required that the state handle these functions.

So all of them have a public heritage, that is, one which was formed through the contributions of our national community, and generations of skilled workers, technicians, and engineers trained by the state have taken part in their formation and development. Their legal status is covered by public law, even though in their economic dealings they are governed by private law.

Their performance has been satisfactory, with the exception of their rate policies, for reasons and during periods of time that everyone knows. This demonstrates that the management services of the state are not necessarily inefficient, as a certain economic school has repeatedly maintained. In addition to their satisfactory record, the state enterprises as a whole have been good economic investments: in 1983 they provided 20 percent of

the nation's total investment, amounting to \$400 million. During the first halves of both 1984 and 1985, their operating results--in other words, their sales--were high, and we are aware that, according to a study made by your corporation's Enterprise Management Service, the basic subsidiaries had combined profits--stated in pesos as of 30 June 1985--of 25 billion pesos. This figure is 45.5 percent higher than the profits earned during the first 6 months of 1984; sales had grown by 14.7 percent, a level higher than the growth in operating costs. If these enterprises were privatized, the state would no longer receive a considerable sum of revenue from surpluses in these enterprises, which now finance the major part of the shortfall in Chilean savings and investment. During the 1980-1984 period these enterprises turned over to the state, their owner, surpluses of \$2,315,000. With the partial sale of this property, of some of these enterprises to private financial groups, it will be those private groups which will benefit, and in the long term, they will come to have an important amount of control over our economy.

It is of interest to mention that, in the situation briefly described above, on which it is unnecessary to dwell at greater length, as it is public and common knowledge, it was decided--in the first phase--that a large part of the capital shares of these companies--up to 30 percent--would be sold to the private sector.

3. We have come to this conclusion for the following reasons: this percentage of capital of these public enterprises will be acquired, as currently programmed and publicly announced, by the Pension Funds Administration Boards, which are responsible for the management of funds deposited in them.

First of all, since these funds belong to the affiliated workers, it has been alleged that it would be "the workers" who would come to be the owners and administrators of the enterprises which it has been decided to sell. Of course, it is said, if the workers are the owners of the monies deposited in the Pension Funds, and stock is purchased in the public enterprises mentioned, using those funds, then it will be the workers who will truly be their owners.

Unfortunately, though, that is a sophism, as the reality is different.

It is a fact that the most vital and interesting question about any company is: "Who runs it? Who manages the company?" In the real world, the people who serve as directors and managers of the company are the ones who hold the power.

4. The pension funds are administered by the Pension Funds Administration Boards, S.A. The majority belong to and are at present managed by different financial groups. It is not the workers themselves who hold the decision-making power in these companies; still less is it the affiliated workers who direct and manage them.



At this time we are observing government action designed to sell shares of the AFP to the investing public in a massive operation called "peoples capitalism," which would supposedly distribute the capital in order to make ownership more democratic.

Nonetheless, this so-called "peoples capitalism" is merely concealing a real economic dirigism: dirigism by financial groups, by major administrators of money (which were earlier given responsibility for handling retirement funds for Chile's workers... "funds that are going to be on the order of \$25 billion to \$30 billion, the long-term accumulated capital; this is going to be over half of the nation's savings, of Chile's wealth," the AFP superintendent, Juan Ariztia Matte, told the weekly publication ERCILLA on 18 September 1985. These groups will be the ones that will actually have a very important representation in our public enterprises, whose stock they are claiming to sell, and as such, they will have broad powers to control their activities.

These shares are not being sold to just any private sector, but rather to small groups of person with financial power, and the ability to manage major outside funds.

5. All the public enterprises mentioned in this presentation have been classified as "strategic"; that is, they perform jobs and engage in actions in which the nation's greatest interests and public necessities predominate.

These enterprises perform basic tasks for the community in such a manner that they complement [the government's role]. They were founded so that the state administration can carry out its own essential functions.

These functions, which are concerned with the satisfaction of public needs, can not be turned over in such a large-scale manner to the financial authorities, especially when these very authorities have shown themselves to be inefficient in the management of their own enterprises, which could not have survived without the timely cooperation of the Central Bank.

6. We are in favor of a mixed economy, in which each sector plays its own role, but the present scheme and the policies to sell shares are very far from such a concept. This is a policy of simple, but covert, dirigism by major financial groups, working against the nation's overall interests.

If it were to become a reality, the sale of these share packages would end by creating a situation that would become extremely irritating. The unprofitable business deals made by the financial authorities would be paid for by the state of Chile (we just have to think of the external debt and the internal debt!), and the state's profitable activities, those which deal with areas that are vital for the nation and which have captive markets, would be transferred to those very same inefficient financial authorities.

7. On 23 August 1985, you sent a letter to CORFO's subsidiary enterprises, in which you explained the reasons which, in the government's view, would justify the sale of stock.

In that letter you advanced only three types of arguments in support of such a decision:

- a. To provide access to the capital of those enterprises for a large number of investors, while expressly stating that the sale is being conducted for the AFP, which are the specific destinies of the measure;
- b. The undemonstrated efficient management of the latter companies; and
- c. For the purpose of using the resources collected for major investment projects.

8. From the information contained in the preceding paragraphs, we see unequivocally that such arguments lack any solid basis and are merely an extreme ideologization of economic policy in practice. It has been shown that small investors, and certainly not the workers, will not be the people who will purchase the stock that attempts are now being made to sell.

It would appear that CORFO is unaware of some important facts that are public knowledge: the major part of the Chilean population is not saving; people are postponing borrowing and selling assets, even personal property, in order to survive. In Chile unemployment and a lack of liquidity are rampant. Over 80 percent of our population earns less than 20,000 pesos a month; for this reason, it is very difficult, if not impossible, for the average Chilean to be able to purchase stock in state companies through this "peoples capitalism," even though the retirement benefits laws have been maneuvered so that he can mortgage his future compensation for this purpose.

The only real possibility--the other is just a mere speculation--is that these shares will be acquired by using funds deposited in the Pension Funds, and very possibly, by foreign investors.

Since the majority of the Pension Funds are administered by financial groups, the actual control--not theoretical, which is of little importance--will be vested in those with power in these financial centers, one of the cornerstones of the capital market designed by monetarist economists.

9. CORFO has said a great deal about the advisability of the Pension Funds Administration Boards becoming co-owners of these public enterprises, so that they could bring a supposed input of efficiency to the management of these state enterprises.

This is an idle pretense; the Pension Funds Administration Boards have not demonstrated any such efficiency. At the present time, a number of civil courts in Santiago are hearing suits brought against some major AFP, for the improper use--in the opinion of the plaintiffs--of what is called the "additional payment." Moreover, the Fifth Criminal Court of Santiago is now trying a criminal suit for misappropriation against another of these companies.

In these suits--for which we have attached records to this presentation--the use which the administration boards have made of the remainder of the "additional payment" is being debated. That differential has not been used to increase the holdings of the affiliated workers, but rather as ordinary income of the administration boards themselves, in violation of both the letter and the spirit of Decree Law no 3,500 and the regulation issued by the chief of state, and also in violation of article 10 of the latter, as the money has not been deposited in the individual accounts of the affiliated workers.

This problem, which has been submitted for the ruling of the courts of justice, has two important effects: if the plaintiffs' suit is upheld, none of the Pension Funds Administration Boards would earn profits, so their legal status would be one of insolvency. If they were not allowed to use the differential of the "additional payment" for their own benefit, the yield from the Pension Funds would be adversely affected and their high profits, of which there has been so much talk, would vanish like smoke, leaving behind complete bankruptcy.

As these cases are still pending, and as the resolution of this dispute has been turned over to the courts, it is unacceptable and highly dangerous to attempt to put into practice a policy that will mean transferring shares from the entire community to businesses whose profits, efficiency, and viability are now under discussion in the courts, whose ruling will have to be respected.

10. At the present time, the sums of money under dispute, without prejudice to any other damages, amount--approximately--to 16 billion pesos.

But there is still more to come: it can not be overlooked that we are in the grips of a severe and merciless recession. This recession has had many damaging consequences, one of which we can not neglect to mention, as it directly threatens the plan under discussion: in recessionary periods the price of stock is depressed. For this reason, no matter how the stock valuations are made, the capital stock of public enterprises will be offered for sale at ridiculous prices, with the consequent damage to public interests and the nation's assets. No one can fail to realize that the recession affects the price of stock by considerably reducing its value. In order to corroborate this assertion, it is sufficient to watch the price of stock of corporations traded on the Stock Exchange. So this is not an appropriate time to sell,

as it will mean giving a subsidy to the stock's purchasers, a policy that was followed in 1975, and which later failed catastrophically.

In support of the preceding statements, we will examine the trading prices and the book values, based on the Monthly Report of the Santiago Stock Exchange.

SOCIEDAD (A)	PRECIO CIERRE (en pesos) (B)	VALOR LIBRO (en pesos) (C)	RELACION Bolsa/Libro (porcentaje) (D)
1) Empresa Nacional de Explosivos	150.00 Julio (E)	1 502.45	0.10
2) Chilectra Generación	500.00 Agosto	2 121.45	0.24
3) Chilectra V Región	630.00 Agosto (F)	2 179.89	0.29
4) Endesa	18.50 Agosto	35.75	0.52
5) Teléfonos "A"	28.00 Agosto	101.63	0.28
6) Teléfonos "B"	28.00 Agosto	101.63	0.28
7) Chilectra "A"	230.00 Agosto	333.98	0.69
8) CAP	44.00 Agosto	315.58	0.14
9) Chilmetro	790.00 Agosto	2 219.94	0.36

Key:

- A. Company
- B. Closing price (in pesos)
- C. Book value (in pesos)
- D. Stock Exchange sale price/book value relation (percentage)
- E. July
- F. August
- 1. ENAEX [National Explosives Enterprise]
- 2. Chilean Electric Power Generating Company
- 3. Chilean Electric Power Fifth Region
- 4. National Electric Power, Inc.
- 5. Telephones "A"
- 6. Telephones "B"
- 7. Chilean Electric Power "A"
- 8. Pacific Steel Company
- 9. Metropolitan Chilean Electric Power Company

As may be seen from the above table, the selling price of this stock, in line with the general trend, shows a distinct difference from the book value. CAP is quoted at only 14 percent of the book value; ENDESA at 52 percent; ENAEX at 10 percent; Telefonos at 29 percent; Chilectra Generating at 24 percent; Chilectra Fifth Region at 28 percent; and Metropolitan Chilectra at 36 percent. All of this reveals the existence of a definite subsidy favoring the stock purchasers.

If those same trading prices are maintained for the stock transfers being promoted to the AFP and to foreign investors, they would be making property transfers that would be severely detrimental to our national property.

11. You also stated in your letter that the new co-owners of the public enterprises would be able to participate in the appointment of directors, and based on the number of their shares, could elect representatives who would watch over their interests and keep them directly informed about any matters of interest to them.

This question must be asked: what are the interests of the Pension Funds Administration Boards?--and let us emphasize, the interests of the boards and not of the affiliated workers, who have nothing at all to do with their management.

Recent experience demonstrates, and you will agree with this, that these commercial ventures are only trying to earn high returns--profits--in order to later distribute them to their partners--who are distinct from the affiliated workers--who comprise the financial powers of Chile. These interests will unquestionably apply pressure for higher prices--rates--for public services. This means that this transfer will be detrimental to the population, and the people will soon find that telephone and electricity rates and fuel prices will go up even faster than they do now.

12. In an interview with a Santiago weekly, you said that "the sale has been arranged in three ways in order to cover all sectors, so that all interested parties, both Chilean and foreign, may be able to buy this stock."

Thus, foreign multinationals and other companies, by means of this convenient and profitable purchase of part of the capital shares of enterprises belonging to the Chilean state, will be able to participate in activities which, without any question, are strategic. To be more specific, they will have access to some of the nation's most profitable activities, activities linked to the essential interests of the entire community.

This is an attempt to denationalize state enterprises and strategic roles, which is not in harmony with the concept of public order, and still less with the concept of national security, understood in its proper sense. It is sufficient to examine the functions of any of the enterprises threatened by these measures to corroborate the truth of this assertion. Wouldn't it affect our national interests for foreign companies to have access to the National Explosives Enterprise? Wouldn't it be potentially dangerous for foreign groups to be able to intervene in ENDESA and ENTEL, which are so closely linked with energy and telecommunications, activities which are vital factors in our nation's true security?

Mr Minister, how would international public opinion react if it were to learn that the U.S. government was going to sell part of the capital stock of an agency like NASA? What if the entire electricity generating and distribution system of the capital city of a nation with a great deal of political unrest were to be turned over, along with its secret technology, to the knowledge of interests not subject to internal control?

It must not be forgotten that our state enterprises are the result of a carefully thought out and necessary collective resolution. It is not by mere whim, but rather a necessity that these enterprises should carry out, and in other cases, support the work of promoting the community's welfare

If it is undesirable for national financial groups to interfere with the decisions of these state enterprises, the interference of multinationals in the accomplishment of duties that are the responsibility of the state or its agencies is doubly unacceptable.

If such interference were to be tolerated, this would lead to the conclusion that the present administration had to delegate part of its constitutional obligations to foreign persons and/or agencies. This would obviously be a transgression against public order and against our national economic security.

13. Among the foundations and objectives cited for this stock sale is the claim that it would "free capital needed to carry out major projects of interest to our national community."

We don't understand this: in your letter of 23 August 1983, you said that the majority of the Pension Funds' resources are now invested in state securities, and therefore, in order to be able to use them for national projects, it is not essential to transfer property of public interest that is as highly valued as stock in our state enterprises. If, in order to finance national projects--which projects is something the nation does not know--we need to resort to the expedient of alienating capital stock, that would amount to pursuing a very erratic course. Such singular logic could in the near future lead to the sale of other or all state properties. State property must not be sold, for it affects the very essence of our national being.

But the interesting part of this point is that the financing of economic projects can not be subject to measures of a legal-accounting nature, but rather to the investment rate. This rate is not going to increase by transferring assets or by shifting monetary resources from one economic sector to another. Therefore, this measure has no other motivation but to present to the IMF and foreign banks a fiscal deficit within the limits allowed by Chile's foreign creditors.



National savings will not grow like this. Technically, the purchase of stock is not investment. Investment occurs because of or along with real growth in the economy. What are these major projects of interest to the community? If they will require producing such a substantial change in the structure of CORFO's subsidiary enterprises, which are state property, shouldn't the national community have been told in advance about the specific programs that could be carried out, and given exact information on their financing and feasibility?

14. As if all this did not seem sufficient, additional thought about the status of our private sector in general, and the economic-financial groups in particular, ends in eliminating any merit that some persons are trying to prove in this measure which CORFO has approved.

The indefinite status of a large group of financial and manufacturing enterprises is well known, and is of concern to large sectors in Chile. To date, after the bank intervention of 13 January 1983, these sectors still remain under joint management by state officials, semi-official government representatives, and agents from the old conglomerates.

No clear policy has yet been devised for this economic sector. Because of its size, it probably exceeds in importance the stock packages that attempts are now being made to sell. Today they remain in fact under state control, even though legally their status seems uncertain.

This situation has placed a strong element of contradiction in the economic policy now being examined. While on one hand, state control of enterprises which are mostly not strategic is being significantly increased, on the other hand, the state seems to be selling enterprises that are strategic in nature.

It seems to us that the private sector, along with the authorities, should first deal with the problem of this area of diffuse or transitional ownership, before trying to join with the state in the present strategic enterprises.

Not acting in this way not only means, as we said earlier, leaving the state holding the unprofitable businesses, while it sells off its profitable ventures, but it would also increase the confusion reigning in the public economic sector, which now seems intolerable, and is definitely a brake slowing down the recovery of our national economy.

15. Finally, Sir, let us mention one contradiction; your letter stated that these measures will "introduce administrative efficiency in the operation of state enterprises," but some lines earlier, you had said that these enterprises--the state enterprises--"are considered, because of the size of their investments, the number of people working for them, their profits, and their good management, to be among the most profitable and most solvent businesses in the nation."



If, as you say, these enterprises are already efficient, why sell part of their stock to achieve an objective that has already been attained?

Why experiment by selling stock to the Pension Funds Administration Boards, which are fairly new institutions, whose technical and financial planning are doubtful, and whose track record in terms of pension payments is unknown?

Why sell institutions created from the efforts of our entire national community to foreign companies whose interests are not necessarily in harmony with our public interests?

Why begin at this point in time a highly ideological privatizing process with no real justification, the product once again of the neoliberal economic policies that have only created chaos in our economy?

Why sell part of our valuable national economic property, as this so strongly clashes with the authentic nationalist feelings of the great majority of the Chilean people?

Why make a decision that severely mutilates the organization you direct, the creation of renowned Chileans, to make room in the Chilean state enterprises for an oligarchy, today represented by financial groups which the very same government had tried to do away with?

To summarize:

1. These public enterprises perform functions enabling tasks of national interest to be carried out.
2. These enterprises help to satisfy public needs.
3. In times of recession, stock prices decline; therefore, selling part of this capital stock at the present time will mean granting a subsidy to the purchasers of this stock.
4. Only Pensions Funds Administration Boards and large investors will be able to buy this stock.
5. Because of this factor, those who hold financial power, who have demonstrated their inefficiency in the management of their own businesses, will be given easy access to companies with an excellent record of profits.
6. The AFP are not good administrators, and on this matter, there are pending court cases concerning the use of the "additional payment."

7. If the plaintiffs win their case, the AFP would no longer be earning profits, but would actually have extensive losses.
8. The previous factor suggests that it would be prudent not to sell to these companies.
9. The workers will not have access to this capital stock, as the people with decision-making power in the AFP are the ones with the greatest financial power, that is, the financial groups.
10. Access by foreign businesses to the capital stock of public enterprises will lead to the denationalization of state responsibilities.
11. The measures to which we object endanger public order and our national security, perceived in its true sense.
12. The projects for which the funds coming from the sale of the stock of these enterprises would be used are unknown.

Therefore:

Based on what has been presented in this document, we hereby ask the executive vice president of CORFO:

- A. To examine the current status of the lawsuits pending against the AFP and to determine the impact of this litigation on the profits of these companies.
- B. To resolve that, so long as these cases remain pending, the AFP will be barred from acquiring stock in public enterprises.
- C. Finally, to revise the measures covering the sale of stock in public enterprises which are now scheduled to be implemented, and based on the considerations set forth in this presentation, and others deemed reasonable to advance, to declare null and void the sale of stock in the following public enterprises: Chilean Telephone Company, Metropolitan Chilean Electric Power, Chilean Electric Power Generating Company and Fifth Region, ENDESA, ENTEL, CAP, ENAEX, and Chile Labs.

First Attachment: We request that, in order to respond to our request, official communications be written to the following parties:

- a. The Supreme Court, so that it may inform CORFO of the existence of the lawsuits cited in this document against the following AFP. Santa Maria, Habitat, and Provida, and the current status of this litigation.

- b. The office of the superintendent of the AFP to request that you be sent a copy of the balance sheets of the AFP, to determine the veracity of the statements contained in this presentation concerning the use of the "additional payments."

Second Attachment: We herewith attach the following documents;

- a. Copies of civil suits filed against major Pension Funds Administration Boards, S.A.
- b. Certification from the Fifth Criminal Court of Santiago attesting to the existence of a pending criminal suit against one of these Pension Funds Administration Boards.
- c. Photocopies of the pertinent parts of the "Monthly Report of the Santiago Stock Exchange,"

These enclosures have been duly submitted.

Hernan Bosselin Correa  
Ramon Briones Espinoza  
Eric Campana Barrios  
Adolfo Zaldivar Larrain  
Jose Ruiz di Giorgio

Luis Pareto Gonzalez  
Alberto Zaldivar Larrain  
Ernesto Vogel Rodriguez  
Pedro Araya Diaz-Valdes

7679

CSO: 3348/204

CHILE

CORFO CALLS PUBLIC ENTERPRISE SALES OBJECTIONS UNFOUNDED

Santiago EL MERCURIO in Spanish 14 Nov 85 p B-12

[Text]. CORFO [Production Development Corporation] has stated that the analysis prepared by a group of professionals and labor leaders who asked CORFO to suspend the sale of shares in state enterprises and to invalidate the sales already made of some companies' stock "lacks any solid foundation."

In a press release, CORFO gave its official response to a petition that had been drawn up by the following persons: Hernan Bosselin Correa; Luis Pareto Gonzalez; Ramon Briones Espinoza; Alberto and Adolfo Zaldivar Larrain; Eric Campana Barrios; Ernesto Vogel; Pedro Araya Diaz-Valdes; and Jose Ruiz di Giorgio.

CORFO stated that "claiming that access by foreign businesses to the capital of these enterprises will cause the denationalization of state functions is ridiculous since, as the same petitioners allege, part of the shares to be sold will be purchased by the Pension Funds Administration Boards as well as by workers and by those persons who wish to do so on the Stock Exchange. In any event, as it has already been reiterated to the point of satiety, the state will hold on to a majority of the capital stock in these enterprises. Consequently, neither public order nor national security will be in any way endangered.

The press release further noted that "it is absolutely untrue that only the Pension Funds Administration Boards and large investors will be able to buy the stock that is to be sold, as for the past year lots of these shares have been sent to the Stock Exchange to be traded, in amounts that will gradually be increased, based on market requirements, until the desired percentage of deconcentration has been reached."

The CORFO press release added that stock was offered for sale to the workers, and in general to any investor of any nature who might wish to purchase these shares, and that there are no restrictions. "By selling on the Stock Exchange, we make sure that its price will be the market price; this weakens the claim that the buyers are being given a subsidy."

The petitioners explained that the enterprises whose stock is to be sold perform functions that enable tasks of national interest to be carried out, and that they also help to satisfy public needs.

According to CORFO, that is true, but the press release added; "The petitioners are forgetting that any business activity performs tasks of national interest and satisfies the needs of the Chilean people. These enterprises are corporations and the state has for a long time wanted to give them that characteristic, so that persons distinct from the state can share in their ownership."

CORFO explained that a number of these enterprises have had private stockholders for a long time, and at one time, they were absolutely private. When their shares were transferred to CORFO, that transaction was limited to acquiring a majority interest in their stock.

7679

CSO: 3348/204

GOVERNMENT PROGRAMS CREATED 380,000 NEW JOBS DURING 1985

Santiago LA NACION in Spanish 2 Dec 85 p 40

[Text] A total of 380,000 people have found productive employment this year, contributing to the development of extensive social and territorial areas of the country.

This figure was possible through the application of the so-called special and sectorial programs such as PEM [Minimum Employment Plan], POJH [Heads of Household Employment Program], PIMO [Labor-intensive Program], CONAF [National Forestal Corporation], Gold Plan, Irrigation, and Expansion of Human Resources in Health. The objective is to achieve better productivity and efficiency as well as gradual decentralization within the framework of regionalization.

This was announced by Colonel Atiliano Jara, national secretary of employment, when explaining the activities that have been developed to generate and consolidate employment. These activities are part of a joint task of the public and private sectors. This is because "unemployment is a problem of national responsibility. Consequently, the private sector of the country must play a major role in its solution."

Private Sector

The National Secretariat of Employment has been in close contact with the organizations of businessmen and workers. The result is the revitalization of enterprises with operating problems and, in applicable cases, expedition of the legal and/or administrative transactions necessary for prompt bidding.

Col Atiliano Jara indicated: "The analysis and evaluation of projects proposed by different institutions in the sector are also a concern of ours as is the incorporation of youths into the market through apprenticeship contracts."

There is also the program for small businessmen who have recently completed their training in Conchalí, Renca, and San Miguel. In 1986, this initiative will be expanded to regions V, VIII, and IX and the Metropolitan Area.



## Public Sector

According to Col Atiliano Jara, the public sector has participated in the generation and stabilization of jobs mainly through investments by the government and state enterprises, in addition to the administrative structure of the state itself.

There has been emphasis on the decentralization of projects to be carried out in order to prevent migrations and also on the allocation of resources for labor-intensive projects.

## Special Programs

This year two new special employment programs have been implemented. There are now 11, counting already existing ones, generating a total of 380,000 jobs.

### Programs Being Carried Out in 1985

Pruning and thinning of 25,000 hectares of forest in regions V and X, developed through CONAF with public and private financing.

Program for professionals with the objective of enabling technically qualified individuals to do tasks at the regional and community level.

Minimum employment started in 1975 with the objective of mitigating national unemployment. (The state gives a subsidy to each person signed up, helping government entities improve their services.) Supervision of this program is the responsibility of the regional governments because of their flexibility.

Specific social projects started in 1984 with the objective of improving the labor efficiency of the PEM and carrying out tasks that, as its name indicates, have social benefit.

Occupational program for the heads of household implemented in 1982 to provide employment for the unemployed who prove their position as heads of household. (The state, through different organizations under it, provides a subsidy that is directly related to the skill level of those signed up.)

Government financing covers 80 percent of the labor and 20 percent of the supplies which guarantees that the program will be labor-intensive.

Program of expansion of health care in effect since 1984 with the objective of expanding health care to the community, permitting the hiring of specialists in the area. (The state, through the Ministry of Health, will administer the monetary and human resources in the different regions of the country based on their needs.)

Labor-intensive program begun in 1983 to bid projects to the private sector which has government financing.

Maintenance of community roads in effect since 1984 is similar to the POJH. However, its only objective was the maintenance of connecting roads between distant points and the improvement of traffic.

Minor irrigation projects since 1984, state subsidy for projects that, due to their size and financing, are considered minor (construction, improvement, and cleaning of irrigation canals and related tasks to improve soil conditions and, therefore, achieve effective levels of agricultural productivity). The regional irrigation directorates are in charge of these projects.

Gold plan which went into effect in 1983. Its objective is to extract gold from placers after being evaluated by ENAMI [National Mining Enterprise], employing already trained manpower or training it for good performance of the work. (The state gives a subsidy which is eliminated later. This benefits the largest number of people by permitting the entrance of others.)

The regional secretariats of mining and ENAMI are responsible for the development of the program.

CONAF, a special forestry development program begun in 1983, is concerned with the improvement of smaller infrastructures in parks and forestry reserves; hydrological management in deprived areas; development and maintenance of recreational sites; repair of shelters; centers of operation; and seed collection.

PEFOR [Special Reforestation Program] in effect since 1983 and designed for reforestation and maintenance of nurseries (40 million plants to reforest 20,000 hectares).

The state carries out these last two programs through CONAF.

7717

CSO: 3348/284

CHILE

COMMUNIST LEADER CRITICIZES PINOCHET REGIME

Moscow PRAVDA in Russian 31 Oct 85 p 4

[Article by Luis Corvalan, General Secretary of the Communist Party of Chile: "Dictatorship Crisis"]

[Text] The situation in Chile is an eloquent illustration of the kind of policy in the area of human rights that the U.S. government, especially the Reagan administration, has been conducting for many years. In this area, as in others, Washington says one thing, but does another. The barbarous trampling of human rights in Chile became possible because American imperialism, by force of arms, brought into power the tyrant Pinochet, by spilling the blood of Chilean democrats, and is using all means to support him. In the situation that has been created as a result of the heroic struggle of the people of Chile, many people have been asking the question, "What allows Pinochet to remain in power and to carry out bestial crimes, despite the social storms that are crashing down on him?" The answer is obvious: the complete assistance and support on the part of the U.S. government.

The mass popular demonstrations that occurred in Chile in September shook the Pinochet dictatorship to its foundation and evoked a broad international response. The fascist regime is experiencing its most difficult time. The protest demonstrations created a new situation. They revealed the contradictions among the members of the cabinet and the squabbling within the armed forces, where there has been a discussion of the question of how to get out of the mess that they have created.

The overthrow in September 1973 was carried out under the pretext of saving Chile from communism and from economic chaos. Actually, however, what was overthrown was a democratic government which was successfully building an independent economy in a situation of difficulties that had been created by imperialism and the domestic forces of reaction.

Twelve years later it can be stated boldly that the Communist Party not only was not destroyed, but, on the contrary, is acting as the most combative force in the opposition and its influence is constantly growing, whereas the fascist dictatorship is in the stage of obvious disintegration.

One can also assert that it was precisely the dictatorship that led the country to economic chaos by means of the implementation of the "neomonetaristic" policy that had been recommended by economists of the "Chicago school," and the directives of the International Monetary Fund. More than 30 percent of the manpower has been paralyzed, and the real wages have fallen sharply. There has been a reduction in the production of products intended for the domestic market. The volume of trade operations has fallen. The foreign debt, which in 1973 did not reach \$4 billion, currently is \$23 billion. Due to the existence of the fascist regime, the country has lost approximately \$40 billion simply as a result of the growing difference between the prices of the commodities that it sells and the prices of the commodities that it buys from the United States and other developed capitalist countries. Chile has currently lost that independence that it used to possess under the government of President Allende.

The structural crisis that is being experienced by the country is more acute today than it has ever been and it dictates the necessity of substantial reforms in the most varied spheres of national life, but primarily in the nature of the state itself. For that reason our party is striving to create a progressive democratic government on the basis of a broad coalition of forces, which government is capable of carrying out the anti-imperialistic and anti-oligarchical changes that the country needs, of democratizing the entire structure of state authority, including the armed forces, of enlivening the economy, and thus of engaging seriously in the resolution of the problems that are disturbing the nation. That kind of regime would lay the foundations for the changeover to socialism. And, contrariwise, if the dictatorship is replaced by a democratic regime with a clearly expressed bourgeois orientation, then one would obviously have to deal with a definite amount of progress relative to fascism, but that regime will be incapable of pulling the country out of the crisis, of resolving the deeply rooted problems, or even of satisfying the most vital needs of the masses of the people. Nevertheless, a government that would arise on that basis would receive our support in conforming in a completely definite manner to the interests of the nation and the country. At the same time we would continue to fight for the carrying out of more profound changes and the achievement of advanced democracy.

It is extremely probable that the immediate future will be very tense. Pinochet is in a rage and, as always, is ready to do anything, just so long as he can remain in power. The protest demonstrations that occurred in August and especially in September knocked him off-balance. A joint document issued by 11 parties, which is known by the name of "National Agreement Concerning the Changeover to Complete Democracy" and which was approved by Cardinal Fresno, caused strong disfavor on the part of the dictator. Although definite concessions are made to him in the document, it created problems for Pinochet in the confines of his own regime, within the armed forces, and also on the international arena. The dictator's statements that were evoked by that document and by the popular protests attest to the fact that he is blind and deaf and will remain so in the face of the nationwide demands and in the face of a thousand arguments that are being advanced to get the country on the path of democracy.

The social mobilization of all Chileans and the coordination of actions that has been aimed at this -- the coordination of actions being carried out in the struggle and at all levels by the forces of opposition, whether leftist, centrist, or rightist -- is becoming an increasingly acute necessity. Having been united, we must put the entire country on its feet, in order to throw all our forces into the combat, in order to stop the fascist terror immediately, and to achieve victory.

If rapid mutual understanding among all the democratic forces is not achieved, if each of them attempts to keep its own plan inviolate, and if it will make no concessions in any regard to others, then there is a risk of missing the current moment, which is so suitable for inflicting crushing blows on the dictatorship and putting an end to it.

Some people think that the country could put an end to the tyranny without this necessary coordination of forces. Yes, that is possible. The sufferings of the nation, the hunger and poverty that millions of Chileans are experiencing, the thirst for justice, and the hatred of tyranny have converted our country into a volcano. We can see a large number of signs that indicate that a strong social explosion can occur. On the other hand, there have been desperate maneuverings by the circles that are in favor of a "moderate" and "organized" withdrawal, and, within the armed forces, which, all things considered, represent the last support of the regime, there has been a rapid development of the process of discrediting the dictator. But in any instance there will continue to be the need to achieve agreement among the broadest democratic forces, because both the present situation and the situation tomorrow can prove to be uncontrollable if the splitting up and dissipation of the forces of the democrats prevail.

Chilean Communists, whatever deprivations and sacrifices are required of them in their struggle, will continue to remain on the front line of the struggle against the dictatorship, using all means and the application of all their efforts, together with the masses and in close ties with our allies. At the very same time, as one of the directions in our struggle, we shall continue to defend our principles, our class line, and our policy of struggle and the unity of all the democratic forces that are fighting against tyranny.

This policy has only one compass: the interests of the nation. In the name of those interests we are working to create a regime of respect for human rights, a regime that will eradicate fascism and that will preclude from the life of society the practice of tortures and political crimes. We are striving for the creation of a democratic regime, with which the nation will be able in a sovereign manner to determine the fate of its homeland. Our party is the party that is defending in the most consistent manner the principles of democracy both in theory and in practice. We want to achieve mutual understanding with all the progressive currents so that, jointly and most effectively, we can carry out the work with the purpose of making a reality, as quickly as possible, the passionate desire of the people to destroy the dictatorship.

In the hands of the nation, and primarily the entire working class, there is the opportunity to take such action that the future events will take the best

path. If that path leads to the creation of an advanced democratic regime, the Communist Party will adhere to its policy in favor of the broadest alliance of the social forces, not excluding any progressive circles, because the reforms that Chile needs require the participation and the joint struggle of the majority of Chilean citizens.

5075

CSO: 1807/82



CHILE

BRIEFS

UNDERSECRETARY OF GOVERNMENT ANNOUNCED--The undersecretary of government, Col Carlos Krumm, will leave his present position to serve as military attache in Uruguay, according to the military assignments list approved by the president, Gen Augusto Pinochet, it was reported unofficially yesterday to La Moneda journalists. It was also announced that the new undersecretary of government will be the current director of civilian organizations, Col Jose Carrera. The ceremony marking the transfer of this position has been set for 6 December. [Text] [Santiago EL MERCURIO in Spanish 15 Nov 85 p C-3] 7679

CSO: 3348/204

COLOMBIA

BETANCUR ANALYZES NATIONAL SITUATION WITH OFFICIALS

PA100417 Bogota Television Service in Spanish 0000 GMT 10 Jan 86

[Text] All the governors, intendants, commissioners, and mayors from the main cities in the country held a summit meeting with President Betancur, analyzed the national situation, and received the president's orders to guarantee clean and honest elections. The most important topics discussed in today's meeting were the cost of living, the reserve forces members call for service during the elections, a plan to counter shortages, and the debate on constitutional amendments.

[Begin recording] [Reporter Alvaro Osorio] All the country's governors, intendants, and commissioners today held a lengthy meeting with President Belisario Betancur. Two things were discussed: The government pledges to counter the increase in prices which has prevailed throughout the country during the last few days, and plans to enforce the necessary security measures to guarantee elections without disturbances. The meeting was also attended by the department capitals' mayors and top-level military commanders.

Referring to the electoral guarantees, President Betancur announced the government's intention to call the reserve forces members for active duty. The head of state said that the government has no candidate and urged the authorities to remain impartial during the upcoming elections.

[Betancur] The guarantees to the parties and groups supported by the people must also include the former armed groups which are exerting their right to participate in the electoral process peacefully, without weapons, and abiding by the laws--even if they are in opposition. According to the law and its democratic vocation, the government will hold elections with an unsuspected impartiality and clear honesty.

[Osorio] Referring to the increase in staple prices, President Betancur ordered the governors and mayors to launch a struggle against shortages, which includes five points: Coordinate the vigilance of prices with the consumers' organizations; control the staple distribution centers, super-markets, stores, and storage centers; survey by sector to determine which raises have not been approved; create systems to inform the consumers about established prices; and enforce sanctions against speculators. [end recording]

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CSO: 3348/355

COLOMBIA

ATTORNEY GENERAL INVESTIGATES DEPORTEES FROM PANAMA

PA112320 Bogota Television Service in Spanish 0000 GMT 11 Jan 86

[Text] Regarding the case of the foreigners and Colombians expelled by Panama and abandoned on Pacific coasts, the office of the attorney general has expanded its investigation to include Buenaventura and Cali. The idea is to clarify the actions of Colombian diplomats in Panama and how they assisted the expelled Colombians.

The case of the 46 Colombians and other Latin Americans recently expelled by the Panamanian Government--who were taken aboard a vessel named "El Cisne" and later abandoned near the Choco village of Curado--has become a sensation because of the stance of the Colombian diplomats in Panama.

All seems to indicate that they did not fulfill the various regulations and provisions that protect Colombians while in a foreign territory.

[Begin recording] [Deputy Attorney General Fernando Navas Talero] The investigation will first of all determine the official behavior of our diplomats in Panama. Then we will try to determine whether a [word indistinct] responsibility has been breached because those expelled reached Colombia and complained about the behavior of our consul in Panama.

[Unidentified reporter] According to a document that we have at this radio station, all seems to indicate that only a secretary in charge of the police garrison at Curado received these Colombians who were expelled and that the behavior of the Colombian diplomats in Panama was far from appropriate.

[Navas Talero] I have proof that this is what happened, and this agrees with your conclusions.

[Reporter] Have our officials let the human rights of these men be violated?

[Navas Talero] In our office we have received complaints from Colombians who have reported the abuse of human rights by the foreign authorities of a number of countries and about their unsuccessful demands at diplomatic offices for their having these rights respected. [End recording]

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CSO: 3348/355

GUYANA

SPEECHES BY HOYTE ON FOREIGN, DOMESTIC ISSUES

Report to Congress of People

Georgetown SUNDAY CHRONICLE in English 3 Nov 85 pp 9-11

[Address by Cde. Hugh Desmond Hoyte, S.C. leader of the People's National Congress and president of the Cooperative Republic of Guyana to the Fourth Session of the First Supreme Congress of the People, 30 October 1985]

[Text] Comrade Chairman:

Members of the Supreme Congress of the People.

As you know, I have just returned from the Commonwealth Heads of Government Meeting recently held in The Bahamas and from a Meeting of the General Assembly of the United Nations held in commemoration of the 40th anniversary of the founding of that organisation. As Head of State, I perceive it to be my duty to report to the nation on the outcome of these visits. There are several conceivable methods of doing so, but it has occurred to me that the occasion presented by this sitting of the Supreme Congress of the People provides an eminently suitable opportunity.

Indeed, having regard to the composition of the Congress, which combines the membership of the National Assembly and that of the National Congress of Local Democratic Organs and thus brings together the component elements of all of our three major deliberative institutions, I should like to think that we are today starting a tradition for the Head of State to report to this Assembly whenever he returns from overseas visits of the kind to which I have referred.

Before I left for The Bahamas however we had the honour and pleasure to welcome to our shores Robert Mugabe, Prime Minister of Zimbabwe, and his wife, Sally Mugabe. His was an official visit which lasted from October 12 to 15. For me it was a great privilege to receive on behalf of all the people of Guyana such a distinguished freedom fighter and internationalist. I wish to report to this Supreme Congress formally that the visit was eminently successful. There was an identity of views on many issues of International concern especially on Southern Africa, disarmament and international economic cooperation. As regards bilateral cooperation, we exchanged many useful ideas and agreed on mechanisms for making collaboration between our two countries in the economic, scientific and technical fields real and concrete.

Prime Minister Mugabe and his delegation endeared themselves to the Guyanese people. He was received enthusiastically wherever he went. He in turn has left us with clear and favourable impressions indelibly etched on his mind of our seriousness of purpose and our determination to forge ahead.

We traveled together to The Bahamas where, during the course of the Commonwealth Conference, we continued the discussions we initiated in Georgetown. As a result of our discussions, an Agreement on Economic and Technical Cooperation was signed by our respective Foreign Ministers in Nassau.

Cde. Chairman and Members of the Supreme Congress of the People, you would have gleaned from the media some insights into the conduct and results of the Commonwealth Heads of Government Meeting held in Nassau. In the first place it was well attended. Of the 46 countries which participated, 41 were represented by their Heads of State or Heads of Government.

The Meeting was dominated by the issue of Southern Africa, the focus being on the need to dismantle apartheid in South Africa as a matter of urgency. There was a pervasive recognition that the pace of change to bring freedom to that unhappy land had to be accelerated, though, as was to be expected, the heads differed in their view of the precise concrete actions to be taken. We nevertheless agreed unanimously to demand of the Pretoria regime that it should implement certain steps immediately.

These included the termination of the existing state of emergency, the immediate and unconditional release of Nelson Mandela and other political detainees and let us pause here to recall our own successful "Free Nelson Mandela" signature campaign and the resolution adopted by the National Assembly--and the lifting of the ban on the African National Congress and other political parties.

And, Cde. Chairman, certain measures, including sanctions, formed part of a programme of action which Commonwealth countries adopted and undertook to pursue. The meeting asked a small group of Heads of State of Government to review the situation in six months; time to see whether concrete progress had been made towards the objectives set in Nassau. If the progress has not been adequate, some, not all, member states of the Commonwealth will consider adopting stronger measures, including a ban on the import of agricultural products from South Africa, a ban on new investment or reinvestment of profits earned in South Africa, a ban on all government procurement in South Africa and a ban on government contracts with majority owned South African companies, among other things.

I contributed to the debates and discussions on this, as indeed on other issues. I naturally stressed the very firm and unequivocal position which this Government and the people of this country have taken.

On Southern Africa our support for the liberation struggle continues undiminished. We did not succeed in Nassau in obtaining in its full measure what we judged was required. But I am glad to say that the principal hurdle was in large part overcome, and that, as a result, the Commonwealth as a whole is now in a position to make a wider and more decisive impact on the situation than

was previously the case. We cannot relent until apartheid is totally eradicated and the Black man is once more free not only in South Africa, but also in Namibia.

Cde. Chairman, the Meeting was also very concerned with the manifest decline within recent years in international cooperation, in the economic and other fields. We analysed the dangers of such a trend. Pointing to the Commonwealth itself as an example of an institution in which consensus is sought on the basis of equality and justice between nations, the Meeting issued a separate statement entitled "The Nassau Declaration on World Order."

The Heads regarded the United Nations system as the central instrument of peace, security and cooperation among nations and resolved to strengthen it. They pledged themselves to "play a full part in revitalising international co-operation for development," and called upon the world community "to construct a framework of collective security based on mutual trust and shared interest." If the exhortations contained in the Declaration are heeded by all peoples and nations, justice would have been done to the theme of the 40th Anniversary celebrations, the "United Nations for a better world."

The Meeting dealt with other subjects of importance to us. However, I will make reference to only one. In the wake of the invasion of Grenada, Commonwealth Heads of Government at their meeting in New Delhi in December, 1983, called for a study of the vulnerability of small states. The resulting Report was discussed extensively in Nassau and I am glad to say that we concurred with its recommendations. It is our belief that the international awareness of the link between the fortunes of small states and global concerns for peace can be approached in the future with more sensitivity and understanding.

While in Nassau, I took the opportunity to hold many bilateral discussions and consultations with my Commonwealth colleagues. For example, I had very fruitful conversations with President Kaunda of Zambia who was a close friend of our Founder-Leader. He was very understanding of and sympathetic with our efforts at nation-building. We agreed to remain in close contact in relation to developments in Southern Africa and other major international issues and to strengthen the political, economic and other links between our two countries. Likewise, in my discussions with Prime Minister Rajiv Gandhi of India, and Prime Minister Salim A. Salim of Tanzania, I found an identity of views on the major international issues and a desire to deepen the relations between our peoples and our countries. The contacts and talks I had with other Heads, such as the Prime Ministers of Australia, Canada and New Zealand, the President of Botswana and the Vice President of Kenya, were most useful and refreshing. Naturally, I found my meetings with my colleague Caricom Heads of Government most valuable. In some cases I was able to pursue and advance some specific bilateral issue with some colleagues, including Prime Minister Chambers of Trinidad and Tobago, Prime Minister St John of Barbados and Prime Minister Esquivel of Belize.

We have for a long time now taken an advanced and unequivocal position in support of the liberation cause in Southern Africa. Our contribution has been widely acknowledged and acclaimed. It was therefore, with particular



pleasure, that I received Mr John Makatini, the representative of the African National Congress, who brought me up to date on developments and gave me the benefit of his insights and assessments.

While in Nassau, I hosted a reception for the Guyanese community in The Bahamas. I was glad of the opportunity to be able to meet my countrymen in an informal and relaxed atmosphere. I was very pleased to observe the strength of their continuing attachment to the country of their birth.

From the Bahamas, I went to New York to participate in the commemoration of the 40th Anniversary of the United Nations. My first task there on the day of my arrival--October 23--was to address the General Assembly. The occasion had attracted a very large number of Heads of State or Government from all regions of the world, from countries, large and small, rich and poor, all of whom had traveled to the United Nations Headquarters to attest to the value of the United Nations system and to reaffirm their countries' commitment to it.

In my statement I reaffirmed Guyana's commitment to the principles of the Charter and the purposes of the United Nations. Drawing attention to the dangerous trend evidenced by the retreat from multilateralism, I emphasised the need to strengthen international cooperation and, within this context, to call on all countries to adhere to the norms of international conduct and behaviour and to adopt peaceful means for resolving conflicts.

As at the Conference in Nassau, the issue of Southern Africa also figured prominently in the debate while I was in New York. It was one of the clear themes that ran through most of the speeches. The call for an end to apartheid in South Africa was insistent and overwhelming. Guyana supported the demand not only for the dismantling of that abominable system but also for the immediate independence of Namibia.

I drew attention, as well, to the spiralling arms race and the danger of the human race being destroyed in a nuclear holocaust. I joined Guyana's voice to those other voices which called for a reduction in the accumulation of weapons of mass destruction (including biological and chemical weapons). I expressed the hope that the forthcoming Geneva Summit talks between Mr Gorbachev and Mr Reagan would succeed in bringing about an abatement of international tension.

I was gratified to be told by many people, including the Secretary General, that Guyana was one of the most active small member countries of the United Nations.

Guyana has participated in the United Nations for less than half of the latter's existence; but during this relatively short period, it has worked assiduously to promote the creation of an environment based on the principles of mutual respect and equality underlying the United Nations System. We have done so for the reason that it is only in such an environment that international political and economic cooperation can fruitfully develop. And it is because of this that we have never, shirked our responsibilities to the international system, whether in respect of the Security Council where we served twice on

the Economic & Social Council of the United Nations (ECOSOC), the United Nations Development Programme (UNDP), the Decade for the Development of Women, United Nations Education, Scientific and Cultural Organisation (UNESCO), or elsewhere in the system.

In sum, in New York we maintained our thesis that, particularly from the point of view of the security and other interests of small States, the United Nations system, with all its deficiencies and inadequacies, is a positive and valuable set of international machinery, constituting a major advance in an otherwise unregulated world order, and that the course ahead should involve, not its abandonment, but its progressive improvement, strengthening and democratisation.

Comrades, the United Nations system is of particular relevance to Guyana's security and territorial integrity in other ways. In keeping with the Geneva Agreement of 1966 on the controversy arising from Venezuela's contention that the Arbitral Award of 1899 was null and void, the Secretary General of the United Nations was entrusted by ourselves and Venezuela with the responsibility of choosing one of the means of peaceful settlement provided for in the Charter. During my visit to the United Nations the Secretary General brought me up to date with the status of his efforts. He was appreciative of Guyana's cooperation and the attitude which has informed the approach which we have so far taken. On my part, I reiterated Guyana's confidence in him and the role which he has been called upon to perform.

My visit to New York provided an opportunity for contact and discussions with members of the Guyanese community residing there and in contiguous states and beyond. I was particularly moved by the fact that my countrymen traveled from many distant areas--indeed one came from Canada--to meet me, to express their support and to assure me of their continuing interest in, and dedication and loyalty to, Guyana. I had many valuable and refreshing discussions with them, individually and in groups. One of the most productive sessions I had was with a group of some thirty Guyanese representing various Guyanese Associations in North America.

In all my discussions and conversations with them, I was deeply impressed by their desire to involve themselves in practical endeavours to help in promoting the welfare of the Guyanese people and the development of Guyana.

On the day of my departure, certain Guyanese organisations combined to host a luncheon in my honour which was attended by over 500 persons. Many of my other countrymen turned up but unfortunately could not be accommodated since space was not available for all.

A feeling of patriotism pervaded the atmosphere. I was deeply touched by the kindly thought which prompted my countrymen to organise the function and also by their expressions of goodwill towards me and Guyana and their palpable commitment to the interests of their native land.

In my remarks I urged them to organise themselves more effectively to help Guyana in practical ways and, most important, to stand up for Guyana at all

times. Their definitive and unhesitating response gave me a profound sense of pride.

Since this is the first occasion on which this Congress is meeting since the death of our Founder-Leader, it is right Cde. Chairman, as you have done, that we should put on record the fact of his passing. Our sense of loss and bereavement has been expressed in full, appropriate and dignified measure. At this time, there are however some other reflections which it may be apposite to make.

The most convincing test of the correctness of the judgment of our late president and of the soundness of the arrangements and institutions which he was instrumental in establishing, lies in the efficiency and smoothness with which those arrangements and institutions have continued to function after his passing. They reflect the real strength of the man. There were some not sufficiently perceptive of the inherent cohesiveness of our society or the level of political maturity achieved under the influence of our Founder-Leader, who had confidently forecast, that with his passing, we would revert to a situation of communal strife, social upheaval and divisiveness. That was the situation which we inherited in 1964. Happily, through his wise policies, he succeeded in welding us into a nation--proud, self-confident and self-reliant--a nation that has enjoyed the benefit of uninterrupted internal peace and tranquillity over the past two decades. It is my purpose to preserve this environment of peace in which all of our citizens can go about their lawful occasions unmolested and under the protection of the law. This is one issue upon which there can and will be no compromise.

It is against this background that, since acceding to the office of President of the Republic, I have received a very large number of delegations representing the whole spectrum of national life--political, economic, social, cultural and religious. Many private citizens from all walks of life, of different interests and from all parts of the country, have talked with me, in both formal and informal contexts, and have given me the benefit of their perceptions and advice. With all of these fellow-citizens to whom I have referred, I have had the most valuable exchanges of ideas, and my conversations have convinced me that our people appreciate that the need to stand together and to hold fast is imperative. Our people are also keenly aware of the hostile character of the international environment in which we live. We all fully understand the external, economic, political and security dimensions of our geopolitical situation and are therefore determined to close our ranks within. Over the past two decades, our people have reasserted themselves in a measure which bespeaks the inherent cohesiveness of our society and our resolve to keep it so.

In the course of its work, this Congress has had brought before it a wide variety of matters, political, economic, cultural, national and international. On many of these issues Congress has come forward with clear, constructive and positive recommendations resulting from debates of high quality.

I believe that even more may be forthcoming from the Congress as our new arrangements settle down and we move forward with a corresponding sense of oneness to take up the challenges presented by the future.

Accordingly, as I have said elsewhere before, I believe that we can best protect and advance the vital interests of the Guyanese people by organising our political life on the basis of cooperation and consensus rather than on confrontation and conflict.

It is for this reason that my party some time ago extended an invitation to the minority leader and his party to engage in formal dialogue with a view to facilitating cooperation for the benefit of the country. These talks are proceeding and I propose to say nothing that can be reasonably construed as prejudicing their outcome. On the contrary, it is my hope that they will progress in a manner which will enable us all to pool our talents and resources for the purpose of building our country.

From all that I have said, both here and elsewhere, it will be seen that we Guyanese are determined to maintain our independence of action with respect to both our vital domestic and external interests. As we pursue these interests, it would be wrong and illogical for the assumption to be made that we have elected to be on a collision course with anyone. Far from it: our policy has always rested on the principle of friendship and understanding with others on the basis of mutual respect for independence and sovereignty.

With the passing of our Founder-Leader, an era in the history and development of our country undoubtedly came to an end. His political life spanned a formative and seminal period in our history and in the emergence of the Guyanese nation. It was in this period in which our political and national consciousness evolved, in which we shuffled off the habits of colonial thinking, accepted the responsibilities of independence and nationhood, and laid the psychological and political infrastructure that was necessary to organise ourselves internally to reap the material benefits of our rich and varied resources. The period was essentially one of political institution building and national character formation.

We must now, as the Founder-Leader would expect us to do, make further advances in the development of our country. He set us a clear objective of creating a humane, productive, democratic and prosperous society as we conceived a socialist society to be--constructed on the foundations of social and economic justice. We must now advance his work and realise his vision. He himself always contended that, while our objective must remain immutable, our strategies and tactics must be tailored to meet changing circumstances and objective reality. It will be for us collectively to devise the strategies and tactics that the era ahead of us would undoubtedly require.

As I have noted, we completed an era that was of necessity one of political institution building. In the years ahead, ours must be the task to complete the work of economic construction which our Founder-Leader initiated. The next phase of our revolution must be primarily economic. It must be one that is devoted to the development of the individual within the context of social cohesiveness and national progress. We have through our Founder-Leader's work inherited the framework for this forward movement.

Comrades, ours is a democratic society. We are required by our constitution to hold national elections periodically. The term of the present Parliament



has almost expired and the final date by which we are required to hold elections is fast approaching. I believe that our political life should be vibrant and dynamic. It should accommodate vigorous debate on national issues affecting our growth and development as a nation. It is therefore, harmful to the best interests of our people that we should dissipate our time, energies and talents in sterile polemics. In our political life, we should be able to devote our time to arguing over and debating matters of substance. It was this belief which led me to invite the Leaders of the Minority Parties in Parliament for discussion about the conduct of the forthcoming elections.

Many political factions in our country have sought over the years to explain or excuse their electoral defeat by making repeated strident allegations about rigging and electoral irregularities. They have concentrated their attacks on those provisions of the law relating to overseas, postal, and proxy voting. After discussions with the Cde. Minority Leader, I had legislation introduced in the Parliament to deal with those matters which I apprehended to be his major concerns. I was gravely disappointed when the Minority Leader and his Party voted against this legislation for which he had been calling for many years inside and outside the Parliament. I can only say that I find such behavior incomprehensible and inexplicable. However, it is up to the Guyanese public to judge.

I regret that I was unable to accede to a proposal put to me by the Cde. Minority Leader that the People's National Congress and the PPP should agree to postpone the forthcoming elections indefinitely and for this purpose to combine in the Parliament to amend the Constitution so as to enable the ongoing talks between our parties to be completed. It is my view that these talks can and ought to proceed to a successful conclusion. I find no nexus between them and the forthcoming elections.

It is in this context, then, that I regret exceedingly the failure of the members of the People's Progressive Party to attend this session of the Supreme Congress notwithstanding assurances implicitly given and accepted. Our political life will make progress, will surely be enriched, if we all proceed on the basis of good faith.

I sincerely hope that the legislative amendments will be received in the spirit of conciliation and a search for national consensus by which they were inspired. They certainly do meet a number of specific requests previously made by the Minority Leader and I am confident that the electorate will recognise that an earnest effort is being made to ensure that the popular will is expressed in a manner that is proof against criticism however ingenious. To this same end, the preliminary list of voters has been issued earlier than is usual, and a request by the Cde. Minority Leader for an extension of time for making claims and objections has been accepted.

In these circumstances, I consider it necessary that the people of this country should have an early opportunity to elect a Government of their choice in accordance with the provisions of our Constitution and the democratic principles which underlie and pervade our organic law.

Accordingly, I propose later today to issue proclamations dissolving Parliament (and consequentially this Congress) as well as the National Congress of Local Democratic Organs and the Regional Democratic Councils with effect from 31st October, 1985 and at the same time appointing 9th December, 1985 as the date for holding elections to the National Assembly and the Regional Democratic Councils.

In issuing these instruments I thank each and everyone of you for the service you have so selflessly rendered to the nation, both as members of this combined body and as members of the component bodies to which you belong. Whether you return or not, I wish you God-speed in your continued endeavour to promote the cause of this great land and to make of it a happy and comfortable home to house a decent, humane, caring, compassionate but proud, confident and strong society.

#### Address to PNC Council

Georgetown SUNDAY CHRONICLE in English 3 Nov 85 pp 1, 8

[Text]

**PRESIDENT** Desmond Hoyte yesterday clearly detailed the tactics and strategies to be pursued by the ruling People's National Congress (PNC) as it moves resolutely into its campaign to win the general and regional elections scheduled for Monday, December 9.

For the People's National Congress, he told the General Council of the PNC in a 90-minute address yesterday morning, the elections campaign will be a positive, upbeat and disciplined one.

The PNC, he said, will wage a campaign which is clean and above board and which is based upon the achievements of the Party over the years and upon the Party's programme for all Guyana in the years ahead.

"Our achievements are manifold. You only have to look around and you will see the achievements of the PNC", Cde. Hoyte added.

The PNC, he reminded the General Council, the highest decision-making forum of the Party in between Congresses of the Party, remains the only effectively organised political force in Guyana capable of running

this country. That, he added, is a legacy bequeathed the Party by Founder-Leader, the late Cde. Forbes Burnham.

He spent considerable time analysing the local political situation in his bid to help the meeting develop a greater appreciation and understanding of the tactics and strategies the PNC will pursue to ensure its overwhelming victory at the polls on December 9.

At the end of it all, he was given a prolonged standing ovation.

In essence, and in the words of General Council Chairman, Dr. Mohamed Shahabuddeen, Cde. Hoyte used the opportunity to give the "battle orders" to the Party's membership.

Cde. Hoyte named December 9 as polling day last Wednesday and he will formally launch the PNC's election campaign today at a public meeting at the Square of the Revolution starting at 19:00 hrs.

Members of the PNC, Cde. Hoyte reminded the meeting, are servants of the Guyanese people and are accountable only to the people of this country. In

this regard, the PNC will never be party to any suggestion to invite outsiders to meddle in Guyana's internal affairs.

The People's National Congress, Cde. Hoyte noted, has been able to win the massive support of the Guyanese people of all races and whereas, 15 to 20 years ago, some parts of the Corentyne might have been considered the preserves of the People's Progressive Party. Today, because of the successes of the PNC, crowds of an impressive ethnic mixture now come forward to pledge their loyalty and support for him and for the PNC.

Racial politics have departed from this country — "thanks to the PNC" — and there is no desire on the part of the people to divide the country on the basis of ethnicity, Cde. Hoyte noted.

The PNC's programme, he stressed, is a national one with no room for ethnic or other forms of divisiveness.

Today, he added, there is a great fund of goodwill and support for the PNC and people, who in the past had been identified with other



political parties or factions are today "coming forward in their scores" to support the PNC.

Giving one example, he noted that Cde. David Subnauth, a Berbice businessman and one-time staunch activist of the United Force has come forward and pledged his support for the PNC, and will be campaigning vigorously for the PNC.

Meanwhile, among others who over the last 48 hours have pledged support for the PNC are West Demerara rice farmer Angad Rupee and representatives of the Guyana Public Service Union, the Islamic Missionary Guild International and Lindon General Engineering Company (Guyana) Ltd.

Cde. Hoyte stressed that the PNC has every intention of continuing its talks with the PPP but pointed out there was no nexus between the holding of those talks and the holding of elections.

He was critical of Dr Jagan's position on the question of electoral amendments.

He said he could not understand Dr Jagan's objections to the provisions which will enable members of the country's security forces to vote. The provisions, he noted, were nothing new and, in essence Dr Jagan was suggesting that the security forces should be disenfranchised.

Cde Hoyte noted that one of the legacies the Founder-Leader left us was that of peace and tranquility which has prevailed since the PNC assumed office two decades ago.

As President, he had undertaken to preserve that peace and tranquility and that is an undertaking he does not take lightly.

It is a commitment he had made to the people of Guyana to keep the peace and keep it he will. (GNA)

/9365

CSO: 3298/275

GUYANA

HOYTE AIRS INTENTION TO FOSTER TIES WITH SOVIET UNION

Georgetown GUYANA CHRONICLE in English 8 Nov 85 p 4

[Text]

**PRESIDENT** Desmond Hoyte has reiterated Guyana's intention to foster closer co-operation with the Soviet Union in the economic, cultural and technical fields.

In offering a toast yesterday at a reception to mark the 68th anniversary of the Great October Socialist Revolution, Cde. Hoyte described the event as a historical landmark in modern political development and hailed the achievements of the Soviet people in the building of a socialist society.

The President also dealt with the question of peace. "As we speak of peace, we are conscious that the threat of nuclear annihilation is now unhappily part of our daily experience," the President observed.

He said a special responsibility devolves on the nuclear weapon States to bring an end to the arms race.

In this regard, he continued, Guyana is paying particular attention to the forthcoming conversation

between the Soviet Union and the US.

He said the developed States should have as their clear objective the elimination of threat to peace and security through arms limitation.

He pointed out that we in Guyana share with the Soviet Union the principles of the United Nations which insist on respect for the sovereignty and independence of other countries and for the right of self-determination for all subject peoples.

"Likewise, we are at one in our opinion that the relationship between countries big and small, developed and developing, should be based on mutual respect," the President continued.

The relationship between the Soviet Union and newly freed countries was dealt with particularly by Soviet Ambassador to Guyana, Anatoly Ulanov, who spoke earlier.

"...We consistently pursue a course towards the expansion of friendly ties with

them, deeply sympathise with the aspirations of peoples that are experiencing the hard and humiliating yoke of colonial bondage," the Ambassador said.

According to him, the Soviet Union builds its relations with these States on the basis of strict respect for their independence and equality.

"The Soviet-Guyanese co-operation is an example of such relations," he observed.

In a short period of time, all conditions for further development of such co-operation were established, he noted.

The Soviet Ambassador said only through common efforts can we make a greater contribution to the cause of realising an enduring dream of the Guyanese people.

He also dealt at length with the struggle of the Soviet people against fascism and imperialism and their success in building a socialist society.

/9365

CSO: 3298/275

GUYANA

## FURTHER REPORTAGE ON RUN-UP TO GENERAL ELECTION

### Union No-Strike Pledge

Georgetown GUYANA CHRONICLE in English 3 Nov 85 p 1

[Text]

ACTING President of the Guyana Public Service Union (GPSU) Cde. Norman Northe has reaffirmed his union's commitment to and support for the People's National Congress and the Government. Cde. Northe said that his union has no plans to join in any strike to bring the economy to a standstill.

In a statement released yesterday, Cde. Northe said: "It has been brought to my attention that Cde.

Cheddi Jagan, General Secretary of the PPP has been making statements to the effect that the G.P.S.U. would join in a strike with GAWU, NAACIE, UGWU, GBSU and CCWU, to bring the Guyana economy to a standstill.

"As acting President of the GPSU I wish to state most emphatically that such a statement is wholly untrue and unauthorised. The GPSU will join in no such strike.

"As acting President of the GPSU, I take this opportunity to reaffirm my commitment and support to the Government and to the PNC."

On October 11, members of the Executive of the GPSU paid a courtesy call on President Hoyte; congratulated him on his recent accession to office and pledged their support to him, the Government and the PNC.

### WPA on Military Role

Georgetown OPEN WORD in English 4 Nov 85 p 3

[Statement by Working People's Alliance of 3 November 1985]

[Text] Chief of Staff, Major-General Norman McLean's assumption that the army must play a role in general elections and his public declaration on October 17 to that effect, with no correction so far from the political chiefs are the chief causes of acute and growing disquiet among the anti-dictatorial forces of Guyana.

Whether or not the statement of the Major General on this sensitive matter was made on political direction, it supports the point made in WPA's Document on Guyanese Freedom that the dictatorship in Guyana is a partnership between the military officers and the ruling party with the military as junior partner.

McLean's statement shows that those who command the military have a vested interest in the outcome of the elections, seeing that the use of troops is tied up with the removal of ballot boxes from the polling places without a preliminary count.

It is instructive that while Nicaragua faced actual attack from Contras, that country's elections procedures required a preliminary count at the polling place. The Canadian Church and Human Rights delegation which observed the 1984 Nicaragua election confirmed that this rule was maintained under hazardous war conditions.

### Slap at Jagan

Georgetown GUYANA CHRONICLE in English 5 Nov 85 p 1

[Page One Commentary: "What More Can Dr Jagan Want?"]

[Text]

THE ruling People's National Congress has put in place a set of measures in answer to requests made by Minority Leader, Dr. Cheddi Jagan and his People's Progressive Party.

The measures pertain to next month's general elections, and, according to President Desmond Hoyte, they seek to cut the ground from under the PPP, so as to make obviously ridiculous any future claims by the PPP of elections irregularities.

The list of measures is quite impressive. They include:

- amendments to the Representation of the People Act abolishing postal voting and severely limiting proxy and overseas voting;
- an early publication of the voters' list, so as to allow the PPP ample opportunity to scrutinise the same [and here we note that there has so far been no objection to any name on the list];
- an extension of the time for scrutinising the list (this was done at the request of Dr. Jagan);
- the appointment yesterday of four Justices of the Peace to facilitate the swearing of statutory declarations by PPP candidates;
- granting radio time, as in past elections, to all parties contesting the elections, and this to be based on criteria set out by the Elections Commission;
- access to the local public media (the Guyana

National Newspapers Limited and the Guyana Broadcasting Corporation) for advertisements;

- facilitating transport to the interior for the PPP to make contact with its candidates;
- allowing parties' representatives to accompany ballot boxes from the polling places to the places of counting.

This last measure, instituted by the Elections Commission, was in place at the last elections, but was not taken advantage of by the PPP. President Hoyte told a rally at the Square of the Revolution Sunday night. He encourages them to do so now.

We commend the ruling Party for dealing with issues raised by the PPP in so forthright a manner, taking the bull by the horns, as it were, and effectively quashing those belaboured PPP contentions.

This has been so effective, as a matter of fact, that Dr. Jagan seems unable to believe that it is all happening.

As the President noted Sunday night, there is nothing more he can do, unless Dr. Jagan wants to know how the people vote.

So we ask, what more can Dr. Jagan want?

We take the opportunity here to urge the Minority Party and others contesting the elections to take the fullest advantage of these measures which testify to the PNC's determination to remove all possibility of accusations of irregularities.

CHRONICLE on PPP-WPA Talks

Georgetown GUYANA CHRONICLE in English 8 Nov 85 p 1

[Text]

IN HIS Press statement of November 8, 1985, Dr. Jagan, General Secretary of the PPP, denied that there were merger talks between the PPP and WPA. He claimed that the story on this topic carried in the Guyana Chronicle on Saturday, November 2, 1985, was "ridiculous."

The Chronicle stands by its story that such talks did take place. For example, on Saturday, October 26, 1985, Cde. C. Jagan and his wife, Janet Jagan, visited the WPA headquarters on Croal Street and discussed a possible merger for over two hours.

Dr. Jagan again visited the WPA headquarters on the morning of Thursday, October 31 to follow up the discussions held on the previous Saturday.

On Friday, November 1, 1985, there was a full-fledged meeting between Dr. Jagan and the PPP team on the one hand and the representatives of the WPA on the other at the Freedom House Headquarters of the PPP.

The Chronicle is in possession of reports of the meetings.

The Chronicle reiterates that non-nationals were involved in the discussions between the PPP and the WPA on November 1. Moreover, during the relevant period there were statements emanating from the WPA in Barbice and West Demerara that merger talks were in progress.

In the circumstances, the Chronicle cannot accept Dr. Jagan's denial.

WPA Press Conference

Georgetown SUNDAY CHRONICLE in English 10 Nov 85 p 20

[Text]

THE Working People's Alliance (WPA) has said it has not detected any padding in the preliminary electoral list published early for public scrutiny in keeping with a promise made by President Desmond Hoyte.

Speaking at a Press conference at the Party's Croal Street offices on Friday, a Party spokesman also admitted that the WPA has been in contact with the People's Progressive Party (PPP) about the possibilities of their two parties fielding a joint slate of candidates at the upcoming elections.

Among those present at the Press conference were Presidential candidate Eusi Kwayana and other members of the WPA leadership including Rupert Roopnaraine.

"We have not detected

padding", Kwayana said.

Even before the list was published early for careful scrutiny President Hoyte had said he was prepared to put his reputation on the line that the electoral list for the upcoming elections would be pure. And, up to Friday, the Chief Election Officer had received no objections to the inclusion of any names on the preliminary list.

Meanwhile, Kwayana told Friday's Press conference it was the WPA that initiated talks with the PPP, and that since the talks began officials of the two parties — including PPP Leader Dr. Cheddi Jagan — have visited each other's headquarters. [He denied that Cde. Janet Jagan had visited the WPA's headquarters.]

He promised that "we are going to be very frank with

the media," and explained that "last Friday or thereabout" the WPA received a letter from some (unnamed) private citizens appealing to the WPA to "consider the question of a joint slate with the PPP."

The suggestion was "a great surprise" to the WPA but "we were touched by the argument," he explained contending, however, that a joint slate "means that you put up one list for the election" and does not mean a "merger."

He said that after discussing the idea of a joint slate, the WPA wrote the PPP on the matter but it appears that by the time that letter reached the PPP they had concluded their electoral arrangements "and so the joint slate is not an issue either. It ceased to be an issue since about last Sunday."

## Radio Time for Parties

Georgetown GUYANA CHRONICLE in English 12 Nov 85 p 5

[Text]

**THE** Elections Commission yesterday announced that it has increased the number of electoral broadcasts allocated to the United Force from one to two and the number allocated to the People's Progressive Party (PPP) from six to seven.

The Commission's decisions were made at a meeting yesterday following its consideration of representation made to it by UF Leader, Marcellus Fellden-Singh.

Broadcasts allocated to the People's National Congress and the Working People's Alliance remain at 15 and two respectively, while the other parties — the Democratic Labour Movement, the National Democratic Front and the People's Democratic Movement — have each been allocated one broadcast.

The broadcasts will be aired on the Guyana Broadcasting Corporation (GBC).

Earlier, United Force (UF) Leader, Marcellus Fellden-Singh, had written the Chairman of the Elections Commission objecting "strenuously" to the allocation of only one Party Political Broadcast to his Party for the upcoming elections, while the Working People's Alliance (WPA) has been allocated two.

In his letter dated November 10, 1985, Mr. Singh complained that in allocating one broadcast to the UF the Commission had "lumped" his Party "with the other parties, some of which are unknown or of very recent vintage."

He listed eight reasons why in his view the UF

should be allocated three Party Political Broadcasts.

These are:

\*the United Force as a political Party has been in existence since 1961.

\*the United Force has continuously been represented in Parliament since 1961.

\*when in the 1964 general elections no single Party won a majority, the United Force joined with the PNC to form a Coalition Government and held ministerial positions in Parliament from 1964 to 1968.

\*the United Force was the official Opposition in Parliament from 1973 to 1976 and its leader, Marcellus Fellden-Singh, C.C.H., J.P., was first Deputy Speaker of Parliament and then the official Leader of the Opposition.

\*the WPA is of recent vintage and never had a seat in Parliament, whereas the UF, up to the dissolution of Parliament recently, held two seats.

\*the WPA is contesting elections for the very first time whereas the UF has been contesting since 1961.

\*the UF enjoys vast support throughout the length and breadth of Guyana, as had been demonstrated by its continuous presence in Parliament since 1961, and the fact that it held the balance of power after the 1964 elections — from 1964 to 1968.

\*in view of its Parliamentary record to date and its known country-wide and vast support, the UF should not be put in the same category of the political parties, some of which are unknown in respect of the allocation of radio time.

(GNA)



WPA on Radio Rights

Georgetown OPEN WORD in English 11 Nov 85 p 1

[Text] OPEN WORD asked WPA's Presidential Candidate to comment on the election broadcast arrangements published in yesterday's CHRONICLE.

Mr Kwayana said, "Well, the GNA seems to know all about it. The WPA has not been informed up to this hour, midnight on Sunday.

"We met the Elections Commission on Friday from 2 p.m. to 4 p.m. and although the subject of radio broadcasts was discussed, the Commission gave no hint that they would decide it behind the backs of parties.

"The Commission seems to be acting on the principle 'to him that hath shall be given.' That is the only explanation for why the PNC with 115 broadcasts per day normally can now be allocated 15 election broadcasts out of a total of 27.

"The allocation is a piece of vulgarity which matches the style of the rulers and if they had made it, they could not serve themselves better--15 for the PNC, 6 for PPP, 2 for WPA and one each of UF, DLM, PDM and NDF. So the rulers have more broadcasts than those given to all of the opposition parties added together.

"Even if they are too big to share the broadcasts equally, this is a scandal. And the Constitution empowers the Commission to ensure impartiality and fairness in the elections.

"When in 1984 they gave productive workers 10% and less and then voted themselves 150%, they told us they had not had an increase in years.

"The Commission can't say that about the broadcasts. The PNC has been abusing radio time and everybody knows it. The PNC Leader's speech to launch the PNC campaign was broadcast live.

"Anyway, we are carrying into the election contest, despite all the injustice and paramountcy, the people's fight for bread and justice. Clearly the Elections Commission is afraid to expose the misrules to anything like an equal contest."

PNC in PPP 'Strongholds'

Georgetown GUYANA CHRONICLE in English 16 Nov 85 p 4

[Text]

**NEW AMSTERDAM:** Berbice (GNA) — Prime Minister Hamilton Green Thursday night addressed two public meetings on the Corentyne, drawing large and enthusiastic crowds, in a predominantly PPP area.

At the first major public meetings in the rich agriculture communities of No. 65 and Alness since President Hoyte announced December 9 as Polling Day, the crowds overspilled the roadway and packed nearby verandahs and yards.

At No. 65 the Prime Minister was given a rousing welcome which included the presentation of a garland of \$20 bills by a young lady from the community.

The Prime Minister was accompanied by Finance Minister Carl Greenidge, Minister of Manpower and Co-operatives Kenneth Denny, Minister within the Ministry of Agriculture, Dr Simpson Da Silva, Regional Chairman Surujnarine Singh, Attorney-at-law Cammie Ramsaroop and National Candidate Mohamed Idris Deen.

In his address, Cde Green reminded the crowds of cheering supporters that the Government had over the past two decades successfully steered the ship of state through storms and difficulties into safety, noting that the journey was one that developing

countries like Guyana have to make before reaching the port of comfort.

He noted that while many people wanted material things, they take the development and improvement of the country for granted. However, Cde Green emphasised that Government will continue to provide such material necessities like food, health centres, free education, transportation machinery and development schemes, but "we must produce and perform".

Observing that what many leaders in the world feared most today are conflict and war, Cde Green referred to the peace and stability brought to the Guyanese nation by the PNC Government since it took office in 1964.

"We must hold on to what we have for Guyana is on the move to economic development," the Prime Minister added.

Government, he noted, has recently signed an agreement which now provides farmers with a bigger market where they can sell their agriculture produce to Caribbean countries.

The Prime Minister also disclosed that the new ferry service between Guyana and Suriname will be started next year to further strengthen the bonds of friendship between the two countries.

### Jagan Call for Protests

Georgetown GUYANA CHRONICLE in English 16 Nov 85 p 1

[Text] PPP LEADER Dr. Cheddi Jagan has called for the staging of strikes and demonstrations during the period leading up to general and regional elections scheduled for December 9. Similar calls have been made by other PPP speakers at public meetings.

Dr. Jagan, who is the PPP Presidential candidate for the upcoming elections, issued the call at a public meeting held at Enterprise, East Coast Demerara, Wednesday.

He said he would organise strikes, marches and picketing demonstrations during the election period. He was supported by other speakers including Dr. Roger Luncheon and Michael Shreechand, who also called for mass demonstrations and strikes.

Similar statements were made by Dr. Jagan at meetings at New Amsterdam and Sheet Anchor held on October 15, and at which he called upon his supporters "to take strong action to bring about a political solution to the crisis facing the

country."

And at a meeting held at New Road, Vreed-en-Hoop on November 6, Cde Clement Rohee, a PPP candidate for the elections, said the PPP would organise people to beset the polling places to prevent the ballot boxes from being removed.

Meanwhile, at recent PPP meetings, Dr. Jagan has been calling on the Government to import ballot boxes from India or borrow ballot boxes from the Government of Trinidad and Tobago.

### Jagan Talk of Unrest

Georgetown GUYANA CHRONICLE in English 18 Nov 85 p 1

[Text] WITHIN recent weeks, the theme of PPP speakers at public political meetings has been about strikes, massive demonstrations and protests against the Government.

At meetings held last Thursday at Port Mourant and Albion Front on the Corentyne, Dr. Jagan

referred repeatedly to violence which, he alleged, took place in Jamaica and said that the same violence would come to Guyana. He said he did not "want people only to vote for the PPP, but to hold all kinds of anti-government demonstrations, including picketing and strikes."

Dr. Jagan pledged that if the PPP lost the elections, he would "unite all anti-government forces to throw the PNC Government out of office."

Cde. Robert Corbin, the P.N.C. Campaign Director, dismissed those statements as "the usual political hot air." He stressed that the P.N.C. was campaigning on "a platform of peace, co-operation and national solidarity."

### Presidential Candidate Profiles

Georgetown SUNDAY CHRONICLE in English 17 Nov 85 p 11

[Text] Today we publish photographs of six of the seven Presidential candidates who have entered for the December 9 elections. We were, however, unable to secure a picture of Joseph Bacchus, leader of the little known National Democratic Front.

Cde. Hugh Desmond Hoyte S.C., President of Guyana, is also leader of the ruling People's National Congress. The PNC which has been in office since 1964 is contesting all 65 seats. He says the PNC has the winning list—one which represents all geographic locations, all cultural and ethnic groups, all religious persuasions and all economic interests. The PNC is the only Party fielding a full slate of candidates for the Regional Elections.

Dr Cheddi Jagan is leader of the People's Progressive Party which has remained as the major Opposition (Minority) Party ever since the PNC took office in 1964. He heads a list of 65 candidates for the December 9 elections. For the Regional Elections, his Party is fielding candidates in only eight of the ten Administrative Regions.

Attorney-at-Law and veteran politician Llewellyn John is leader of the People's Democratic Movement which is contesting 55 seats for the National Assembly.

The enigmatic Eusi Kwayana has emerged as the Presidential candidate for the Working People's Alliance which is fielding the maximum 65 candidates for the General Elections. For the Regional Elections, it is fielding candidates in five regions. Kwayana is well remembered for his call several years ago for the partition of the country along racial lines.

Marcellus Feilden-Singh remains as head of the United Force which has submitted the full 65 names for the National Assembly. It is not contesting the Regional Elections.

Paul Tennessee, referred to as a Canadian-based Guyanese is the leader of the little known Democratic Labour Movement which is contesting 58 seats.

#### DLM Criticism of PPP

Georgetown GUYANA CHRONICLE in English 21 Nov 85 p 5

[Text]

THE Democratic Labour Movement directs most of its campaign attacks at the People's Progressive Party.

At a public campaign meeting held Monday night at the Better Hope Market Square, East Coast Demerara, DLM Presidential Candidate Paul Tennessee said that the PPP is a betrayer of the people and that Dr. Cheddi Jagan is the most confused politician in Guyana.

The DLM speaker told the small crowd that Dr. Jagan did "a most stupid thing by voting against the bill" presented to the Parliament amending the electoral laws.

The PPP, he said, does not have alternative policies and after failing to form a Government with the PNC, has once again turned to race politics. Race politics are not politics of reason, but politics of emotion, he said, and went on to promise the electorate the return to free market enterprise.

The DLM also held similar meetings at Success and Industry on the East Coast Demerara.

(GIS)

Oddities of Candidate Lists

Georgetown GUYANA CHRONICLE in English 21 Nov 85 p 4

[Text] Amidst the increasing tempo of campaigning towards the December 9 general and regional elections, there is much of interest to be discovered by looking at the Candidates' lists.

A notable example appears in the list of the little-known National Democratic Front (NDF). The name Joseph Bacchus, Presidential Candidate, is not certain to ring a bell. He is listed as "businessman" of "22 Trotman Alley," which some Linden residents can identify as an area of Christianburg.

He is not known to have made any major public appearance so far.

In other cases, the occupations of persons who make up the Candidates' lists for the National Assembly give rise to a variety of interpretations, or speculations.

The PNC list of 65 for the Assembly, which does not appear to include more than six of any one occupation, is the most representative and balanced, occupationally. Among the businessmen, there are three gold miners, five farmers, two sawmillers and two market vendors.

One can also tick off on this list two trade unionists, two housewives, six teachers-lecturers-trainers and a single sugar worker.

There are three attorneys-at-law--including Presidential Candidate Hugh Desmond Hoyte, two youth leaders, four singer-musicians and three economists.

The PPP, for the National Assembly lists six journalists, ten farmers, six trade unionists, five whose occupation is classified as "none." But no candidate is classified as "sugarworker" or "canecutter."

Listed as "M.P." is Party Leader and Presidential Candidate Dr Cheddi Jagan, although Parliament was dissolved several days before Nomination Day in preparation for the elections. Also on the PPP lists are ten clerks, and five secretaries.

The occupation "none" is dominant on the NDF list for the National Assembly, reaching 15 outstripping housewives, at six.

The DLM of historian Paul Nehru Tennessee, Presidential Candidate, lists 19 candidates for the Assembly as "sugar workers," two as "labourers" and four as "unemployed." WPA lists six sugar workers, ten teachers, three artists and an attorney-at-law.

United Force (UF) fields one of the three attorneys-at-law who are Presidential-candidates, in Marcellus Feilden-Singh. Also on the UF list of 65 candidates are ten businessmen, twelve farmers, four housewives and one "trader."

People's Democratic Movement (PDM), with the symbol of the fork, has fielded a list ripe with interest. Twenty candidates are listed as "farmers," thirteen as "housewives," one as vat builder and Llewellyn John, the third attorney-at-law as Presidential Candidate. Moreover, six of the PDM candidates have the surname "John." (GNA)

Remarks by PPP's Collymore

Georgetown GUYANA CHRONICLE in English 25 Nov 85 p 7

[Text]

A PPP Government would allocate more money to various sectors of the economy and seek help overseas for the country if it wins the December 9 elections, Party Secretary Clinton Collymore said Friday night.

The PPP would allocate more money to "the vital industries, State and private", to the agricultural sectors, to housing and the co-operative sector, Cde. Collymore said.

In the second of the PPP's political broadcasts on GBC Cde. Collymore said Guyana needed "a lot of help ... but from friends, not enemies lurking and scheming to plunder our patrimony and exploit our people. We must guard our sovereignty and territorial integrity."

"We must accept help from all quarters without strings attached, and humiliating conditions imposed. We must reject the IMF's prescriptions and caution the World Bank that Guyana is not up for sale. We must oppose demands from the enemy for denationalisation," Cde. Collymore said.

The PPP candidate contended that the PPP "has tremendous experience in and out of Government" and has "the correct answers to the economic problems". He blamed the 21 years of PNC Government for the country's economic problems and said the PPP "if elected with a comfortable majority in Parliament, will solve them

speedily."

A PPP Government will mobilise aid from all quarters, East and West, Non-Aligned Countries and OPEC, for an accelerated development effort.

The PPP would restore Guyana's "credibility" and "credit-worthiness" overseas, and would "seek to have our foreign debt written off, failing which it will unilaterally scale down foreign debt payments in the national interest and in your personal interest too," the Party's candidate promised.

"A PPP Government," he added, "will firmly uphold Guyana's rights in the Caribbean Common Market, particularly in relation to the sale of rice and sugar to our sister States."

He contended that the country's current economic problems are due to "21 years of wrong priorities, continuous inefficiencies, chronic maladministration, endemic corruption and alienation of the working people, through lack of accountability and democratic participation in the decision-making processes."

"Only the PPP is sufficiently organised and astute enough to bring about a swift turn-around in the economy," he said.

He criticised the PNC Government for import restrictions, the country's debt, deficits in State enterprises, and reduction of the food import bill from "\$130 million in 1980 to a



paltry \$55 million in 1984".

"The PPP can produce the goods, market them and satisfy your needs," he said, adding that "queues will vanish under a PPP Government, and the black-market will become a nightmare of the past."

The PPP candidate said "statistics show that between 1977 and 1984 there were only two years of positive GDP growth totalling four per cent ... in this period of massive zero growth, taxation rose by \$130.0 million with a fresh \$30 million to be grabbed from your pockets in 1985."

Rice production is "stagnant", he said, contending that "exports today are half what they were under the PPP Govern-

ment", while sugar production is "about half what the PNC itself had planned for the early 1980's; bauxite production has also plummeted and the alumina plant has been shut down for nearly five years."

He contended that "little industrial development has taken place", and "projects remain on paper by the dozen, with no funds earmarked for them" and "jobs in the meantime are getting scarcer".

Concluding his broadcast Collymore promised: "If you return the PPP to Parliament with a big majority and thereby elect Dr. Cheddi Jagan President of the Republic, operation rescue will go into gear." (GNA)

#### WPA Leader's Speech

Georgetown GUYANA CHRONICLE in English 25 Nov 85 pp 6-7

[Text]

THE Working People's Alliance (WPA) can win the December 9 elections, and is fighting to do so, Party candidate for the National Assembly, Dr. Rupert Roopnarine said in a WPA political broadcast Saturday night.

In the first of two scheduled WPA political broadcasts on the Guyana Broadcasting Corporation (GBC), Roopnarine said: "We are fighting these elections to win and we can win a fair poll in which the votes cast by the people are the votes counted."

A WPA victory, he said, will lead to "a new way of treating political power and will place the country in a better position."

In the election campaign, he said, the WPA has been making three points:

□ "Proclaiming the unbearable suffering of the great masses of Guyanese on the coast and in the interior in a constitutional forum."

□ "Continuing in the same constitutional forum the

struggle for genuine elections, and

□ "Putting forward our manifesto of redemption, reconstruction and rebirth in the certainty that the nation can heal its political, social and economic injuries after free and fair elections."

Directing attention to the national media, the WPA candidate said: "In the present campaign the press and Radio are doing everything to suggest that voters can do nothing to influence change."

He added: "Public concerts have been treated as election meetings of the PNC. News of the PNC's failure to attract crowds in many places is carefully hidden and news of highly successful Opposition meetings is dishonestly concealed from the readers of the Press."

He said: "On the Party's attitude to elections, contesting the elections (in

1980) without any attempt at changing the stubborn rules did not seem right to the WPA and so we boycotted the elections of 1980."

He further stated: "In some quarters ... there is talk of WPA mistakes. Mistakes happen in active political life. But they must be faced and corrected. One mistake we have never been guilty of is to take or seem to take the side of the rulers against the masses on any pretence whatever."

"At no time did the WPA make the mistake of agreeing to discuss or wishing to discuss with the ruling Party of the dictatorship the social system or any matter other than arrangements for a free and fair election and this only in the company of all existing political parties in Guyana," he said.

"Vote for the Opposition Party of your choice but not

on grounds of race," the candidate said in his ten-minute presentation.

And, contending that the "most important task of the election is not the winning of a party victory," he said the WPA's invitation to vote for the WPA should cause no fears that "the party wishes to go in there and remain indefinitely."

On the WPA view of the country, the candidate said Guyana needed to "advance

to a democratic republic."

"Those who are pushing socialism as well as those who are pushing anti-socialism when the task is reconstruction and democratisation, wish to handcuff the people in advance and control decisions which are better made in conditions of freedom of association and freedom of thought and expression ..." Roopnarine said.

(GNA)

/9365

CSO: 3298/275

GUYANA

GOVERNMENT'S REPLY TO BISHOP SINGH ON ELECTIONS

Georgetown SUNDAY CHRONICLE in English 17 Nov 85 pp 6-7

[Text]

Dear Bishop Singh,

I acknowledge receipt from you and others of a letter of 26 October, 1985, raising certain matters concerning the forthcoming national elections and suggesting a meeting to discuss the same with me. I assume that since you are in collusion with those other persons you would convey the contents of this letter to them, since I do not propose to send individual replies.

By way of prefatory remark, it is to be observed that each of the ten signatories merely links his name to some organisation. This may suggest to the unwary reader that the signatories have been authorised by those organisations to speak for them while leaving it open, in case a question of authority is raised, to say that they were only describing their own particular affiliations and not professing to be speaking on behalf of the particular body concerned. Frankly, I do not understand this kind of equivocation, and on this ground alone I consider it wholly inappropriate to accede to the request for a meeting.

Moreover, while I consider it my duty to listen to representations made to me

in my ministerial capacity, you will concede, I am sure, that I cannot meet every motley group that wishes to see me for the purpose of making political propaganda.

However, lest it be thought that there are no answers to the various asseverations made in your letter I shall now proceed to deal briefly with them under the heads selected by you with a view to demonstrating a certain distressing harmony between the tendentiousness with which they are made and the equivocation relating to the status of those who make them.

(a)

Voting procedures on election day.

Your statement that, "As provided by the regulations the ballot boxes should be examined at the beginning of the day in the presence of representatives from all the parties and should then be sealed by the presiding officer in their presence", mischievously suggests, without quite saying so, that this has not been happening. This also applies to your statement that "The representatives should be permitted to remain at the polling booths throughout the day." You cannot be so ill-informed as not to know

that both recommendations, if I may so dignify them, represent what has always happened on election day in our country.

You claim that s. 84 of the Representation of the People Act requires the votes to be "counted on the spot", i.e. at each polling place. That provision does no such thing. Neither did section 42 of the Representation of the People Act 1957 which was in force during the PPP regime. That provision visualised that ballot boxes from each polling station would be handed over by the presiding officer to the returning officer at the close of the poll. The practice during the PPP regime was for these ballot boxes to be then brought together at one or more centralised counting places within the constituency, where the votes would be counted. If, as it seems, you are suggesting that there has been a time when votes were counted at each polling station, the suggestion is absolutely ill-founded and thoroughly misleading. I draw your attention to the fact that even Dr. Jagan, the General Secretary of the P.P.P., has admitted that it has never been the case in this country that votes were counted at each polling station. (See the P.P.P. Press Release dated November 06, 1985).

Further, you say, "We can see no valid justification for the practice that has been introduced of moving the votes to a central counting place." Implicit in that is a suggestion that all the votes from all over the country have been counted at one central place only. This again has not been so. At the elections held in 1980, with two exceptions, votes were in fact counted within each region. These two exceptional cases referred to were due to logistical and administrative considerations.

As regards the questions of party representatives being allowed to be present in the vehicle conveying the boxes, I am astonished that you could be so irresponsible, if not

malicious, as to subscribe to the statement that "tampering with the boxes during transit... happened in previous elections", without adducing any evidence at all. My amazement grows when it is borne in mind that, for example, at the 1980 elections, arrangements had in fact been made for party representatives to accompany the boxes. In many cases, particularly including interior districts, as you know very well, or should know very well, many contesting parties were so weak on the ground and lacking in local political support that they simply had no personnel to assign for the purpose in some regions and surely you could not forget some parties were unable to submit a list of candidates for regional elections. But most important of all, the main opposition party, the PPP clearly had no interest in having the votes counted at all in 1973. Not only did that party not avail itself of its right to have its representatives accompany the boxes where it was logistically possible for it to do so, but in fact incited some of its supporters to steal and / or destroy those boxes. You may wish to refer to the public records to verify the fact that P.P.P. activists did steal and destroy ballot boxes and some of them were prosecuted, and convicted for their criminal acts. In 1980 the P.P.P. did in fact organise representatives to accompany some of the Ballot boxes.

(b)

#### The register of voters

Your assertion that in previous elections "it was extremely difficult, if not impossible, to get hold of any of the lists", is untruthful and absurd. I therefore reject it. However, as in other cases, with a view to preventing ingenious propaganda exploitation of the electoral arrangements, the lists have been published earlier than usual and free copies given promptly to the relevant parties. Further, a request by the Minority Leader for

an extension of the period for the making of claims and objections has been substantially granted. He asked that the total period should be thirty days. Twenty-six days have been allowed.

[C]

#### **An Independent Elections Commission**

I also reject your suggestion that the Elections Commission "have no real power or authority" and that "they are in no position to perform the functions of supervision and control envisaged by the Constitution..." You are, I am afraid, rushing blindly into an area in which you are incompetent. I am inclined, on this point, to urge you to emulate the shoemaker and stick to your last. On the best legal advice available, I wish to inform you as follows: under the Constitution the Commission has overriding powers over all officials concerned in the administrative conduct of the elections and can issue any directions it considers necessary or expedient for the purpose of ensuring impartiality, fairness and compliance with the Constitution or other law. The Chairman of the Elections Commission, together with the Secretary, has visited overseas registration centres and the members of the Commission have visited the National Registration Centre. No impediments have been put in their way. On the contrary, every facility has been afforded. The Commission is free to act as it sees fit. All those concerned in the administrative conduct of the election are required to defer to the authority of the Commission. Any contrary

statements by any particular members of the Commission are explicable only on partisan grounds.

(d)

**Public meetings and access to the media**

Your reference to the right to hold meetings, to radio time and to use of the media is capped by the statement, "This has not been the case in previous elections". This is such a palpable falsehood that I find it difficult, at this stage, to consider you anything other than a mischief-maker. I refuse to accept the alternative, namely, that you are an ignorant person. Take, for example, radio time. Contrary to your statement, opposition parties have always had access to radio time in 1968, 1973, and 1980. Perhaps you may now wish to check the records — as you should have done before exposing yourself to the danger of public ridicule. In 1980, for example, the PPP spoke five times on the radio and the United Force once in accordance with a schedule based on the long accepted Parliamentary representation formula.

Moreover, if you had only taken the time to ascertain the facts you would have easily found out — if you were indeed interested in truth and accuracy — that the Guyana Chronicle gave ample publicity, free of cost, to the public meetings held by opposition parties in previous elections, (e.g., see Guyana Chronicle July 10, 1973, page 9, and Guyana Chronicle of December 1, 1980, page 16). In developing this baseless allegation, you have also quite conveniently

ignored the fact that at all material times during past elections the serious political parties controlled and published newspapers — as they still do. You become not only tedious but irrational when you imply that opposition parties did not enjoy the right to hold meetings. Opposition parties held hundreds of public meetings throughout the length and breadth of Guyana during all relevant election periods in the past. If you are unaware of this fact, the most charitable conclusion I can come to is that during election periods in the past you must have fallen into a deep slumber like Rip Van Winkle.

(e)

#### **Military Presence**

Your representations on this point are a sad caricature of the truth. In particular, it is grossly inaccurate for you to say that "the ballot boxes were seized by the military in 1973 and 1980". For example, the excerpt in Appendix A from the Evening Post of 17 July 1973 will show that, far from there having been any seizure, the security forces only acted on the specific and written instructions of the Elections Commission given for the purpose of protecting ballot boxes from organised attempts, including in some cases the use of violence, to destroy the boxes or to prevent them from being collected for counting. Please see Appendix B for details.

I do sincerely regret that, occupying the high episcopal position which you hold, you should have allowed yourself to be coerced into being a party to so many patent half-truths.

and outright falsehoods. These distortions, as confirmed by the precipitate publication of your letter even before it reached my desk have been clearly crafted and designed to sustain a programme of political recrimination and animosity intended to obscure the genuine efforts of the Government to remove all possible grounds of criticism, however unjustifiable, of the forthcoming elections. As pointed out by the Cde President in the course of his public address at the Square of the Revolution on 3rd Inst., a number of things have been done at the request of the Cde Minority Leader, including the following:

(i) the preliminary list has been posted up earlier than usual and free copies supplied promptly to the relevant parties;

(ii) the period for making claims and objections has been almost doubled even though, with respect to objections, not a single instance has so far been found of a name being incorrectly included in the list;

(iii) the exercise of the right to vote overseas has been severely restricted and in practice would be limited to bona fide overseas students and serving foreign service officials;

(iv) postal voting has been completely abolished;

(v) proxy voting has been restricted in substance to the grounds on which it was permitted during the PPP regime;

(vi) even though there are hundreds of J.P.s otherwise available (including many known PPP members and supporters),

five Justices of the Peace have been appointed on the nomination of Dr. Jagan for the specific purpose of assisting with his electoral campaign. His original request was for four appointments only;

(vii) specific arrangements were made at less than 24 hours notice, at Dr Jagan's request, to provide internal air transportation to Region 9, for his Party officials to enable them to carry out certain functions related to the preparation of his list of candidates; and

(viii) blanket approval has been given for his election personnel to enter Amerindian areas.

In addition, as the Cde President pointed out in the course of the same address, the Government maintains the position which it took in the past;

(a) that party representatives may accompany ballot boxes in the course of transportation. (Indeed, they have always been entitled to do, and this right was confirmed, for example, in 1980, by directives of the Elections Commission to this effect);

(b) that parties may have access to radio time, on such basis as the Elections Commission may decide;

(c) that parties may have access to the nationally owned media for their advertisements on normal commercial terms.

He reiterated their constitutional right to hold meetings and do all other lawful things in furtherance of their election campaign.

Despite the transparent partisanship which has unfortunately driven you to subscribe to the grotesque misrepresentations and inaccuracies with which your letter is riddled, I trust that you retain a sufficient measure of objectivity to be able, on reflection, to see that the Government, notwithstanding its own view as to the unjustifiable nature of past objections, is making an earnest endeavour to meet opposition representations almost in their entirety with a view to ensuring that the forthcoming elections are as free as humanly possible from criticisms, however ingenious. If you cannot see this, the Government will for its part be content to leave the judgement in the hands of right-thinking members of the public. If, however, you can join them in seeing that an honest attempt is being made to create harmony, to reduce recrimination, to promote consensus and to enhance the quality of our public life, I should be happy to think that you may yet find yourself in the company of those who are prepared to make a genuine and unbiased contribution to the creation of a society free from unnecessary tensions and good to live in by all who truly wish to make it their home.

And I close by inviting you to this worthwhile and honourable end.

Yours co-operatively,

J.R. Thomas

Minister of Home Affairs



GUYANA

COURT WRIT FILED AGAINST ANGLICAN SYNOD ELECTIONS

Georgetown SUNDAY CHRONICLE in English 17 Nov 85 p 1

[Text]

A WRIT has been filed in the Supreme Court against Bishop Randolph George claiming, among other things, that elections to the Diocesan Council of the Synod of the Anglican Church held earlier this year were fraudulent.

The writ was filed yesterday by Cde. Newton Profitt, a high official of the Anglican church in Guyana.

It was filed against "Randolph George, individually, and in his capacity as the Bishop of Guyana" and against "The Incorporated Trustees of the Church in the Diocese of Guyana."

In his writ, Cde. Profitt is making six claims against the defendants. He is asking for:

- \* a declaration that the meeting of the Diocesan Synod of the Anglican Church of Guyana held on April 16 and 17, this year "was irregularly and unconstitutionally convened;"

- \* a declaration that the elections to the Diocesan Council of the said synod held on April 16 and 17, this year "are unconstitutional, irregular, fraudulent, null and void;"

- \* a declaration that the purported election of candidates to the said Diocesan Council "is unconstitutional, fraudulent, null and void;"

- \* an order directing the defendants to convene a meeting of the said Synod for the holding of elections to the said Diocesan Council forthwith and that such elections be held in compliance with the regulations and rules of the Diocese of Guyana and according to law.

And, in addition to claiming costs, Profitt is asking the Court to make such further or other order as to it may seem just.

The defendants have been given 10 days to enter an appearance.  
—(GNA)

/9365

CSO: 3298/275

GUYANA

## CHURCH LEADER KIRTON'S LETTER ON ELECTIONS REJECTED

### Letter, Reactions

Georgetown GUYANA CHRONICLE in English 20 Nov 85 p 3

[Text] Several members of the Full Council of the Guyana Council of Churches have reacted sharply to an "election message" from Rev. Allan Kirton of the Caribbean Conference of Churches. Here we publish the text of Rev. Kirton's message, a note from the GCC's Executive Secretary, passing the message on to member churches of the GCC, the text of the response cabled to Rev. Kirton, and another reaction.

### Text of Letter

Message to the GCC/ CCC  
member churches

Fathers and Brethren:

Greetings!

Even as we reflect together in the preparation of this message we have warm feelings of gratitude to God for you. Under stress, and probably even because of it, you have maintained your strong faith and held your vocation; sharing the pain of your people, you have retained a certain objectivity and been able to give creative and positive leadership. Like the apostle Paul you have been "often troubled, but not crushed; sometimes in doubt, but never in despair; there are many enemies but (we are) never without a friend; and though badly hurt at times, (we are) not destroyed." (2 Cor. 4:8-9 GNB). Truly, you have never lived the meaning of

"carrying in our mortal bodies the death of Jesus" with the hope that "His life may also be seen in our bodies."

Our care about you has been once more heightened by the impending national elections in Guyana. Elections usually presage new opportunities and the unfolding of Guyana's history over the more recent years clearly demands that such opportunities must be grasped and used to the maximum. The tentative steps towards electoral reform announced by the President indicate some token action but we share your opinion that there is a need for him to go further in using this chance to redeem the Guyana Government in the eyes of the world in regard to the very negative image in its record in the area of free and fair elections.

Like you, we are praying to see at least the following

steps taken:

i) Restoration to the Elections Commission of its full constitutional role in the preparation for and conduct of the poll.

ii) Adequate safeguards to satisfy opposition parties of the fairness of the counting of votes; as a minimum this must mean being allowed to keep the boxes in view from the beginning of the poll until the end of the count.

(iii) Elimination of the role of the armed forces in the electoral process.

We support your call for these measures to be taken and would want to join you in so petitioning the relevant authorities.

We are aware that whatever the outcome of the elections, there are certain elements in the country's life that demand urgent attention:

a) Establishment of an economic policy which offers some stability at home and overseas.

b) Redress in the social situation which guarantees a minimum level of social services being offered the population.

c) Return to a way of life in which constitutional guarantees of human rights are respected especially freedom of the press and a life free from fear.

The CCC would be happy to support and assist you particularly should you desire that some eminent and impartial Caribbean persons serve as a panel of official observers to help give regional support to your own judgement on the electoral process.

December 9, therefore, is

a new opportunity for Guyana. That open door is not only a constitutional event, but we believe a chance that God is giving to the rulers and people of Guyana to take action in forging their destiny. Christians in the region will lift you up in prayer and all men and women who love liberty, justice and peace will also rally to your support. May Christ's Kingdom which has taken root among you continue to flourish so that all persons may benefit from the fruits of your bountiful land.

Sincerely yours in Christ,  
Allan F. Kirton  
General Secretary

Transmittal to Churches

Dear Brother/Sister,

The attached letter has been received from the Rev. Allan Kirton who is anxious that it be known and heard by as many Christians as possible. Would it be possible to have it read in churches next Sunday?

With best wishes.

Yours sincerely,  
M.D. Mendonca  
for Michael McCormack  
Executive Secretary

Guyana Council's Reply

WE, the below-mentioned signatories, refer to your "Message to the GCC/- CCC Member Churches" dated 1985-11-08 and wish to protest strongly against what can only be described as an act of presumption on your part in attempting to involve yourself in the domestic affairs in our country. In this so-called message you have proceeded to level ill-informed criticisms about our electoral procedures and arrangements, to pontificate on the forthcoming national elections, and to make disparaging remarks about our country.

You have also had the impertinence to put in our mouths certain criticisms of the Government which we have never made. We do not understand such duplicity; nor do we appreciate your mendacity on this point. Since we have not made such criticisms and have never called for "measures to be taken" as alleged by you, your offer to join us in "petitioning the relevant authorities" is absurd. We do not welcome it. Indeed, we would commend to you the virtue of minding your own business and avoiding public statements that are

palpably based on ignorance.

We are alarmed at your effrontery in proposing to "support and assist us" by sending foreigners to intermeddle in our electoral processes. Guyana is a sovereign independent nation. It holds its independence on sufferance from no one. In our view no foreigner has any right to interfere in the domestic matters of Guyana — political, religious or otherwise.

Furthermore, we have noted that the Executive Secretary of the Guyana Council of Churches has had the gall to ask us to read your political tract in our churches next Sunday, allegedly at your request. Interestingly enough, he had caused a report of it to be published in the "Catholic Standard" newspaper even before it had reached us. We refuse to be manipulated by you or the Executive Secretary of the GCC for ulterior political purposes. We absolutely refuse to read the said message as requested.

As Guyanese religious leaders of churches who are all members of the Full Council of Guyana Council of Churches, we resent the gratuitous insults you have hurled against our country and reject, as being inap-

propriate, your crude attempt to influence our electorate in the forthcoming elections. Consequently, we spurn your so-called "measure of support and solidarity", more so since we are unaware that our churches are "under stress", as alleged by you. In all the circumstances, therefore, we consider your action to be arrogant, mischievous and unacceptable.

Your officiousness in trying to intervene in Guyana's domestic affairs and the gross calumnies you deemed fit to include in your so-called message can only result in the Caribbean Conference of Churches being brought into further disrepute and the integrity of the Guyana Council of Churches being undermined.

We strongly urge that the C.C.C. avoid allowing itself to become, wittingly or unwittingly, the dupe of partisan political interests in the region with their own ulterior purposes to serve.

As Christian leaders, may we remind you that charity and truthfulness are still cardinal virtues of the Christian faith we all claim

to embrace. We regret that we have had the sad occasion to send you this communication, but our duty has compelled us to this end.

We put you on notice that we are not prepared any longer to allow unwarranted attacks on our country by foreigners to go unanswered. We will be standing up for Guyana.

Rev. Fitzroy Jackson;  
Rev. P. Oscar Wharton of the Congregational Union.  
Rev. Erma Miller;  
Rev. Gift Profit;  
Rev. Clarence Williams of Guyana Missionary Baptist Church.

Rev. R.M. Adams — of the Ethiopian Orthodox Churches (Guyana);  
Rev. Uklyn Hendricks;  
Rev. Eustace Semple;  
Sister Hyacinth Godett — of the African Methodist Episcopal Church (A.M.E.).  
Rev. Harold McDonald — of the Varick A.M.E. Zion Church.

Cde. Hyacinth Cunningham — member of the Conference of the Methodist Church in the Caribbean and the Americas.

### Salvation Army Reaction

Captain Murphy John of the Salvation Army has described the so-called 'Election Message' sent by Rev. A. Kirton of the Caribbean Conference of Churches to the member churches of the Guyana Council of Churches as being "most inappropriate."

Captain John said that Rev. Kirton's action was unfortunate and that he could not, in good conscience, accede to the request to read Rev. Kirton's message to his congregation.

Religious Leaders' Protest

Georgetown SUNDAY CHRONICLE in English 24 Nov 85 p 4

[Text] An agreement was reached at an extraordinary meeting of the President's Advisory Committee on Religious Affairs and other religious leaders, on Thursday last, to forward a letter of protest to the Reverend Allan Kirton, General Secretary of the Caribbean Conference of Churches, expressing strong disapproval on his action in sending a factually distorted letter to certain churches in Guyana.

Twenty-nine leaders of various religious faiths participated in the discussion chaired by Reverend Gilbert Harris. The talks centred on Rev Kirton's letter dated November 8, 1985. Its contents were fully discussed and the meeting agreed to record a strong protest along with a unanimously passed resolution, criticising the clergyman's intervention in Guyana's internal affairs.

It was noted that in his letter the Reverend Kirton displayed a remarkable lack of knowledge of the true situation in Guyana and thereby distorted the facts.

THE following is the text of the resolution unanimously passed by the meeting:

WHEREAS:— Guyana is a Sovereign State with capable citizens to manage its affairs;

AND WHEREAS:— Guyana is a Non-Aligned State which does not meddle nor interfere in the internal affairs of other States;

AND WHEREAS:— The Constitution of Guyana guarantees its existence as a Secular State;

AND WHEREAS:— THE Christian Church is given its lawful existence, rights and privileges;

AND WHEREAS:— The Reverend Allan Kirton as General Secretary of the Caribbean Conference of Churches assumed the right and now seeks to interfere in the internal political affairs of Guyana by publishing, issuing and directing certain incisive instructions as to the exercise of the Guyanese people's right to vote in the General Elections on December 9, 1985;

BE IT RESOLVED:— That this gathering of religious

leaders representing all faiths in Guyana condemns the most despicable form of interference by the Reverend Allan Kirton in the internal political affairs of Guyana by his partial directions to Guyanese citizens in the exercise of their franchise.

BE IT FURTHER KNOWN:— That we the religious leaders of Guyana hereby reaffirm that we are quite capable of conducting our own affairs.

Unanimously supporting the resolution were:

Rev. Fr. Gilbert Harris, Vicar of St. Philip's Anglican Church; Bahen Chandra Persaud, Organising Secretary of Guyana Sanatan Dharma Maha Sabha; Sister Brenda Aaron, Bramha Kumaris World Spiritual University; Rev. Eustace Semple, Pastor of St. Peter's A.M.E. Church; Pastor Uklyn Hendricks, A.M.E. Church; Rev. F.A. Roberts, Chairman and the General Superintendent of the Methodist Church of the Guyana District.

Sister Clarice Edwards, President of the Guyana United Apostolic Mystical

Council; Rev. P.O. Wharton, Pastor of the Congregational Union; Brother A. Habibulla, General Secretary of General Council of Islamic Brotherhood; Rev. Ralph M. Adams, Priest-in-charge (ag.), Ethiopian Orthodox Church; Moulvi Abdul Hassan Ali, Secretary General of the Islamic Missionaries' Guild International; Brother Abdul Shadoo, General Secretary of the Sad'r Islamic Centre; Rev. Frederick Bernard, Pastor of the Church of God; Rev. George Kanhai, Vicar of St. Barnabas Anglican Church.

Sister Waveney Benjamin, Diocesan Worker Mothers' Union of the Anglican Church; Sister Eileen Robinson, Second Vice-President Mothers' Union of the Anglican Church; Captain Edward Richards, Captain of The Salvation Army Guyana; Captain Murphy S. John, Divisional Commander of The Salvation Army Guyana.

Sister Doris Langevine, True Worshipper Church of Guyana; Sister Sharon Bowman, True Worshipper Church of Guyana; Sister Mary Batson, True Worshipper Church of Guyana.

Sister Desiree James, True Worshipper Church of Guyana; Pandit Bhojnarine Sharma, General Secretary of Pandits' Council; Bhai Moorat Prashad, Executive Member of Hindu Parishad; Bhai S.A. Sammy, President General of The Maha Kali Religious Organisation; Bhai J.T. Kissoon, Executive Member of Maha Sabha; Rev. Llewellyn Fraser, Pastor of the New Jerusalem Church; Sister June Charles, Guyana Unity Church; Sister Shirley Rose, Guyana Unity Church.

Georgetown SUNDAY CHRONICLE in English 24 Nov 85 p 4

[Text]

REVEREND Una Matthews and Rev. Fitzroy Jackson of the Congregational Union have advised the "Sunday Chronicle" that they did not "sign" the press release captioned "Church Leaders protest Rev. Kirton's 'officiousness and presumption'" which we published on Sunday, November 17, 1985. They have asked us to make a correction.

We wish to apologise to Rev. Matthews and Rev. Jackson for this error. The use of the word "signed" was entirely our mistake. The Press release which we received did not refer to anyone "signing," but merely said that the statement had been "issued" by the persons whose names were mentioned therein.

Reverend Oscar Wharton of the Congregational Union, from whom we obtained the press release, has sent us an explanatory letter which we have published today. We regret and apologise for any embarrassment or inconvenience the inclusion of their names might have caused Rev. Una Matthews and Rev. Fitzroy Jackson.

Rev. Matthews and Rev. Jackson, however, have indicated that in requesting to have their names deleted

from the press release, they are not thereby indicating an agreement with the Rev. Allan Kirton's action in sending the so-called "Election Message" or with the contents of the said message. They wish it to be known "emphatically" that they will not read the Rev. Kirton's message to their congregation.

In the meantime, however, the other religious leaders whose names were included in the release are adamant that their position in respect of the said release remains the same. They are Rev. P. Oscar Wharton - of the Congregational Union; Rev. Erma Miller, Rev. Gift Profitt, Rev. Clarence Williams - of the Guyana Missionary Baptist Church; Rev. Ralph M. Adams - of the Ethiopian Orthodox Churches (Guyana); Rev. Eustace A. Semple, Sister Hyacinth Godett - of the African Methodist Episcopal Church (AME); Rev. Harold McDonald - of the Varick AME Zion Church.

Since then, Sister Hyacinth Cunniggham, member of the Conference of the Methodist Church in the Caribbean and the Americas, has expressed her full support for the statement issued by the Rev. P. Oscar Wharton and others condemning Rev. Allan Kirton's behaviour.

/9365  
CSO: 3298/275



GUYANA

## PPP LEADER JAGAN EXPLAINS POLICY ON ELECTION, OTHER ISSUES

### First Campaign Broadcast

Georgetown GUYANA CHRONICLE in English 22 Nov 85 p 5

[Text]

GUYANA needs change "to the left, in a democratic and socialist-oriented direction," People's Progressive Party Leader Cheddi Jagan told Guyanese Wednesday night, in his Party's first 1985 elections broadcast.

"We want to get out of the PNC frying pan, but not to fall into the Imperialist rightist fire," Cde Jagan said in his ten-minute address, on GBC Channel Two, and rebroadcast on Channel One yesterday.

He at the same time spoke in favour of a "broad-based National Patriotic Front Government of all left and democratic forces," in which, he said, the PPP would still be interested if it won on December 9.

The PPP Leader and Presidential Candidate said "we make no apologies" for the Party's call for protests in the coming elections, but he denied there was any "advocacy of violence" in the Party's call for struggle, which, he said, included "strikes, demonstrations, marches, vigils and picketing."

He referred to the recent legislative measures abolishing postal voting and restricting overseas and proxy voting which the PPP voted against in the National

Assembly, as "a partial victory."

And he called for an "independent election machinery," "non-involvement of the Army," and "counting of the ballots at the place of poll." He also stated, without making any specific complaints, that there was a need for a struggle for "clean voters' lists."

In response to President Hoyte's invitation to the Minority Parties to exercise their right by arranging for their agents to accompany the ballot boxes on polling day, Dr. Jagan said his Party's agents must be able to keep their eyes constantly on the ballot boxes "from the beginning of voting to the beginning of counting."

The PPP Leader also dealt with the economic situation, making some references to what it was under the PPP (more than 20 years ago), the International Monetary Fund (IMF), and what he termed a "lack of democracy."

"Lack of democracy has taken its toll. Coupled with incorrect economic planning strategy, wrong priorities, political and racial discrimination, extravagance and corruption, it has put a brake on production and productivity," he said,

contending also that "production of our main exports is stagnating even below levels reached two decades ago."

Under different policies, he said, "the small man would have become the real man, and the nation would have been fed, clothed and housed as the PNC had proclaimed in 1972. Indeed our country would have become the Caribbean bread-basket and showpiece."

Dealing with Guyana-IMF relations, he alleged that a new arrangement with the IMF is now in the offing and thus "is likely to mean another devaluation of our dollar by about 25 per cent."

On the general PPP programme, the Party Leader said the PPP is committed to free and fair elections, democracy and a plural political system. "We feel that these must be coupled with a socialist-oriented programme, and a broad-based National Patriotic Front Government of all left and democratic forces."

Such a government, he said, is "absolutely necessary" to development, racial and cultural cohesion and national defence. "Further, we say, give the genuine organisations of

workers, farmers, businessmen, professional and religious people a voice in Parliament."

He said that is in line with the PPP's democratic tradition, its national patriotic position and winner-does-not-take-all politics. "Often we have stated that even though we can win a free and fair election, we alone will not form the government; we will include other progressive forces," Dr. Jagan said.

While giving no details, he twice referred to what he termed "a very favourable agreement made in April, 1978 with the Soviet Union."

He criticised the Government for not "heeding the call of the TUC and others for a broad-based Govern-

ment" and "for not implementing "the very favourable agreement" with the Soviet Union."

And contending that "the IMF medicine has been bitter for you and the nation" he said Guyanese have been brought to a point of desperation through IMF impositions — "devaluation, wage freeze and wage restraint, dismissals, cuts in social services, removal of price controls, removal of subsidies on food, cuts in imports leading to shortages and blackmarket prices."

Concluding his address, Dr. Jagan said that change to the left, as prescribed by the PPP, is his Party's way "to real peace and social progress."

— (GNA)

#### Government Options

Georgetown CATHOLIC STANDARD in English 24 Nov 85 p 4

[Text] DR. Cheddi Jagan has written to the *Standard* in connection with an article entitled "President Hoyte's difficult choices" by Mr. David de Caires, carried in the *Standard* of Oct. 13. The text follows:

Mr. David De Caires listed 4 options open to President Hoyte. But not all are sound.

Option 3 "The third course is to carry on alone with no help or compromise internally or external (business as usual) and hope for a miracle".

I agree that this course has no future.

This course had led to retrogression. To do nothing is not to stand still, but to go backwards. This is where "third world" countries are different from the developed capitalist states.

In the latter, the economy has its own momentum. But even there, conditions are deteriorating because of the general and structural crisis of capitalism and the roles played by conservative politicians.

Options 2 & 4 "The second is to move to the centre and seek an

accommodation with the Americans accompanied by Western aid".

"The fourth, perhaps allied with the second, is to seek an internal rapprochement with other groups in the society".

This too has no future.

Look at Jamaica. President Reagan did everything to help Prime Minister Seaga and to make Jamaica into a Caribbean showpiece. But the whole "deliverance" policy is a failure.

Businessmen, who helped to bring Seaga to power, and farmers are rebelling against his IMF "open-door" deregulation policy.

Former Minister of Industry and Trade, Robert Lightbourne, of Seaga's Jamaica Labour Party, recently pointed out "The shrinking dollar, the reduced purchasing power of the people, the ever rising cost of living, even of basic commodities all owe their origins to the official economic regime under which we are being governed."

In 2 years, the Jamaica dollar dropped in value from US\$1 = J\$1.78 to US\$1 = J\$6.50.

Spontaneous demonstrations and riots in February, 1985 led to 11 deaths. And there was a near general strike in June against the soaring cost of living.

Seaga's popularity is now at its lowest. Even his government is forced to criticise US "constructive engagement" policy in South Africa and the IMF.

Option 1 "The first is to move further left, come to an arrangement with the PPP, nationalise the rest of the economy and seek Russian aid".

This is the only way.

Internal unity through a National Patriotic Front Government of all left and democratic forces, not just PPP and PNC, is the first prerequisite to success.

The second is not a break with the West, but no total reliance on it.

And thirdly, there is no need for further nationalisation.

What is absolutely necessary is

to make the nationalised enterprise work through a people's representative government and democratic, as distinct from bureaucratic, management through workers' control and public accountability.

Guyana had a choice of roads.

In April, 1978, the late President Burnham visited Moscow and made a most favourable agreement - unlimited credits at 6% interest; help to develop our gold industry; help to rehabilitate the bauxite industry and to buy bauxite.

But later that year, the PNC shunted aside that agreement, went along the IMF way and praised it.

Had the Guyana/Soviet agreement been implemented, 1700 bauxite workers would not have had to be dismissed and our economy would not have been in the parlous state it is in today.

Option one is the only sane alternative. Cheddi Jagan.

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CSO: 3298/275

GUYANA

## GOVERNMENT, TUC REACH ACCORD ON WAGE PACKAGE

### Government Proposals

Georgetown GUYANA CHRONICLE in English 5 Nov 85 pp 1, 4

[Text]

FINANCE Minister Carl Greenidge met yesterday afternoon with Trades Union Congress representatives for further discussion on remuneration adjustments for this year and next year.

This meeting follows a letter of proposals from Deputy Prime Minister, Planning, Cde. Haslyn Parris, sent to the TUC. In keeping with an agreement between the TUC and the Government, that the letter be despatched by the end of October, it was forwarded on October 31 by Cde. Parris on behalf of the Finance Minister who was away on business.

The proposals come against the background of new benefits put in place this year. These include:

- payment of severance benefits to 1 649 Central Government workers retrenched in 1982, at a cost of approximately \$1.5 million;

- a twenty-two and a half per cent increase, retroactive to January 1, 1984, for approximately 16 000 old age pensioners, costing an additional amount of about \$2 million per annum;

- an increase in social assistance benefits for 10 000 beneficiaries costing approximately \$1 million.

- the equalising of the

benefits for pensionable and non-pensionable posts in the Public Service, costing an additional \$2 million per annum;

- increases in travelling allowances for the Public Sector, taken as a whole, within which the Central Government's increases amount to about \$2.5 million per annum;

- increases in meals and subsistence allowances for the overall Public Sector, of which the direct cost of the increase in the rate of expenditure to the Central Government for 1985 is estimated at about \$1.5 million per annum, and for the Guystac Group, approximately another \$1.5 million per annum; and

- increased advances for the purchase of motor cars, and motor cycles.

As for the new proposals contained in the letter sent on October 31 to the TUC, these deal with adjustments following appraisals in relation to performance being retroactive to January 1, 1985 and similarly for 1986.

These newest proposals suggest that salary structures be so reorganised that for the years 1985 and 1986, employees will receive a ten per cent increase for each year, four per cent of which

will be an automatic and across-the-board increase and the remaining six per cent allowed on the basis of performance. Such increases will be based on the December 31, 1984 and December 31, 1985 salary levels respectively.

The increases over the two years will, in fact, yield an overall increase of 21 per cent (\$100 will go to \$110 in 1985 and then to \$121 in 1986).

The adjustments following appraisals of work performances are designed to reward good service and are particularly apt, as there have been complaints of new employees working for as much as older ones, a situation brought about by the absence of regular increments.

With respect to Bidco/ Guymine and Guysuco, the across-the-board salary scale adjustment should be on the level of five per cent and the performance appraisal award at the level of seven and a half per cent.

The proposals also allow for annual reviews, bearing in mind changing circumstances and the ability of the economy to accommodate increases.

The proposals partially address the relationship between remuneration and the cost of living, with ongoing committees which are participatory, and which will look at problems as they arise. These committees will include representatives

of the Government, the TUC and the public and private sectors.

Committees proposed are a price review committee, an income distribution committee, a working hours committee, an anomalies committee and a collective bargaining committee.

There is also a proposal for a review of incentive schemes, in particular with respect to directly productive enterprises. These schemes should begin in 1986, and the proposal is that a regime of quarterly payments be derived and that these be based on a production target level/ break-even analysis model which takes into account current cost structures. The model ensures that incentives are paid only if there is a profit-earning situation at the organisation.

In his letter to the TUC, Cde. Parris says, "I am of the view that the proposals deal with all the major areas of concern which have been under discussion. Accordingly, I feel that the proposals represent an eminently adequate basis for the furthering of our discussions and for a speedy resolution of the various matters in the interest of the nation's workers."

It is to be hoped that the proposals will be looked at speedily, so that improved workers' benefits could be realised expeditiously and smoothly.

## TUC Reaction

Georgetown CATHOLIC STANDARD in English 10 Nov 85 p 2

[Text] GOVERNMENT'S proposals for wage increases have been set out in a letter to the TUC's General Secretary, Joseph Pollydore, dated October 31.

A TUC team headed by Pollydore met with Government representatives on Monday Nov. 4, to seek clarification on the issue.

It has been the 30th meeting between the two sides since the long drawn-out wage negotiations began in 1983, and indications are that the TUC will reject the new proposals.

General Secretary Pollydore has intimated to the Ministry of Finance that the Executive Council of the TUC is "shocked" at the proposals submitted and another senior TUC official described the offer as "parsimonious".

Government is basically proposing a 4% across the board increase for Public Sector employees other than Bidco/Guymine and Guysuco, retro-active to January 1, 1985.

The increase of 4% is to be based on salary scales at December 31, 1984.

TUC sources have said that in short the bulk of working people

will receive an increase of 60 cents per day, making the new minimum wage for 1985 \$15.70 per day.

For 1986, the sources say, these Public Sector workers will receive an additional 4% increase, or 63 cents per day, making the minimum wage for 1986 \$16.33 per day.

Sugar and bauxite workers will receive an extra 1% increase to the above, bringing sugar and bauxite minimum wages from \$15.10 per day to \$15.85 for 1985 and \$16.65 for 1986.

No mention has been made about 1984, for which the TUC still has an outstanding claim.

The TUC are demanding a minimum wage of \$25.00 per day for 1984, and are insisting that any increase for 1985 should be above this.

Government is also proposing an increment averaging 6% for workers with "average performance".

For Guysuco and Guymine/Bidco workers, the increment will average 7%.

It is to be noted, TUC sources say, that these workers have already been paid their 1985 increments, consistent with their contract of service based on meritorious performance.

## TUC-Government Differences

Georgetown CATHOLIC STANDARD in English 17 Nov 85 pp 1, 2

[Text] AT a meeting held on Nov. 7 between the TUC executive and representatives of the government to discuss government's wage proposals, General Secretary of the TUC, Joseph Pollydore, indicated to Minister Greenidge that "when the people can't earn a decent wage, and can't have their needs satisfied, then it won't be strikes or industrial action, but revolution".

He then cited a number of third world countries where workers had taken the situation in their own hands.

The Minister replied that Mr. Pollydore was at the wrong forum, since he was not there to discuss revolution but was merely discussing a wage proposal to workers.

In a letter communicating its position on government's proposals dated the same day, the TUC requested the government to significantly increase the 4% that they were offering.

"The TUC", the letter states, "considers the proposed 4% across-the-board increase in salary scales inadequate and highly unsatisfactory".

For the majority of workers, the 4% increase would mean an extra 60¢ per day for this year and 65¢ for next year.

The TUC, which has stated since 1984 that workers should earn \$25.00 per day, at the very least, and that even this is inadequate, dismissed the 4% proposal in the



letter as "not enough even to marginally cushion the hardships being experienced by workers arising from continuing increases in the prices on essential commodities and services, i.e. basic items such as sugar, rice, meat, fish, cooking oil, ground provisions, transportation and electricity".

The TUC executive have stated that considering both the substantial compromise already made by the TUC with regard to its original demand for a new minimum wage, and the considerable increase - even at an absolute minimum level - of living costs, their request for "a significant increase" in the proposed 4% cannot "be considered unreasonable".

#### Terms of Agreement

Georgetown GUYANA CHRONICLE in English 22 Nov 85 pp 1, 5

[Text] THE Government and the Guyana Trades Union Congress have reached agreement on a new package of wages, salaries and related benefits for Public Sector employees for 1985 and 1986.

The announcement was made last night in a joint communique signed by Chief Planning Officer, Clarence Blue, of the State Planning Secretariat, on behalf of the Government, and by Gordon Todd, Second Vice-President and Seelo Balchan, Executive member on behalf of the TUC.

The joint communique said public sector managers would be expected to make the necessary arrangements to expedite this payout once the appropriate guidelines have been issued.

The Government and the Guyana Trades Union Congress negotiators Wednesday concluded an agreement on a wage and related package for the Public Sector for 1985 and 1986 costing about eleven per cent of the

Public Sector wage bill for wages and salaries alone. Workers in the bauxite and sugar industries, by way of across-the-board adjustment and performance appraisal award, will on average receive a 12½ per cent increase in their basic wage in each of the two years 1985 and 1986. The corresponding figure for the rest of the Public Sector is 10 per cent in each of the years 1985 and 1986. This agreement which would be retroactive to January 1, 1985, would involve the following elements:

1. (i) across-the-board increases: across-the-board increases for the Public Sector (excluding Guyamine and Guysuco) in 1985 and 1986 of 6% and 5%, respectively. This would increase the minimum wage for new entrants from \$15.10 per day in 1984 to \$16.00 in 1985 and \$16.80 in 1986. The increases for Guyamine and Guysuco are of the order of 6% in each of the two years.
- (ii) appraisal of workers

performance: appraisal of workers performance in the Public Sector (excluding Guyamine and Guysuco) would yield on average further increases of the order of 4% and 5% in 1985 and 1986, respectively. The percentages for Guyamine and Guysuco would be 6½% in each of the two years 1985 and 1986. Workers who in 1985 were recipients of the minimum wage would be entitled to this appraisal adjustment. These appraisal adjustments will on average further raise the wage for this category to \$16.81 per day and \$17.64 per day in 1985 and 1986, respectively.

(iii) special categories: employees in the Public Sector (excluding Guyamine and Guysuco) who are on piece rates would enjoy adjustments of 10% in each of the two years 1985 and 1986. In the case of Guyamine and Guysuco the corresponding figures are 12½% in each of the

two years. This would be in lieu of the two-tier adjustment suggested for time workers.

(iv) **time rates:** these would be converted to scales as far as practicable and across-the-board and appraisal adjustment as already outlined would be applied.

(v) **adjustment to reduce bunching:** employees who find themselves at the bottom or within a specified range from the bottom of their scales, after a number of years' service, will enjoy further adjustments which range from 5% for those with 3-5 years' service to as much as 8% for those with 8 years' service and above. This is intended to ameliorate the problem of long-standing and new employees receiving the same salaries.

2. (i) **Increases in pensions:** government pensioners, old age pensioners and recipients of public assistance will enjoy increases of approximately 10% on average for each of the years 1985 and 1986.

(ii) **travelling and meal allowances:** increases in these allowances have been agreed within the Public Service system and arrangements have been set in train to review same within the Guystat Group. Government and the

GTUC are to discuss the application of the existing regulations within the Public Service, particularly in relation to payment in lieu of meals.

(iii) **retrenchment and equalisation of pensionable and non-pensionable posts**

**benefits:** agreement has been reached in respect of payment to workers retrenched in 1982 and the equalisation of benefits to pensionable and non-pensionable posts within the Public Service.

#### AMICABLE

(iv) the Government and the GTUC have also reached agreement on funding for the Critchlow Labour College in 1985 and 1986.

3. While the negotiations were conducted in an amicable atmosphere, the

Government and the GTUC recognised the need to continue to pursue avenues for improving the living conditions of the workers. In furtherance of this objective the two parties agreed to set up a number of committees to:

#### MODALITIES

(i) work out the modalities of implementation of the five-day work week which has already been agreed.

(ii) monitor on an ongoing basis prices of an agreed sub-set of commodities deemed basic.

(iii) monitor and review the levels and distribution of income, including the structure of non-taxable allowances, in the public and private sectors of the economy.

(iv) monitor, review and submit to the Minister of Finance recommendations on the question of anomalies in remuneration.

(v) keep under review

and recommend to the Central Government those areas which are best suited for the treatment of central determination, and those which are most appropriately treated by individual collective bargaining between individual unions and individual employers.

#### COMMITTEES

It is expected that these committees would commence work shortly and they would be reporting to the main Government/ GTUC standing forum on a regular basis.

The GTUC team was led by acting President of the GTUC Comrade Frank Andrews and included among others General Secretary Cde Joseph Pollydore,

Second and Third Vice-Presidents Comrades Gordon Todd and Komal

Chand, and Executive Members Comrades Clive Thomas, Leslie Melville, Samuel Walker, Lennox Simon, Jean Persico, Christopher James, V.K. Gopaul, Seelo Baichan, Cleveland Charran and Selwyn Felix. The Government team was led by Minister of Finance Comrade Carl Greenidge, and included Minister of Manpower Comrade Kenneth Denny, Secretary to the Treasury Comrade J.D. Simmons, Chief Planning Officer in the State Planning Secretariat Comrade Clarence Blue, and Chief Labour Officer Comrade Oscar Moore.

Public Sector managers would be expected to make the necessary arrangements to expedite this payout once the appropriate guidelines have been issued.

GUYANA

## POLICE COMMISSIONER DISPUTES HUMAN RIGHTS CHARGES

Georgetown SUNDAY CHRONICLE in English 10 Nov 85 p 12

[Text]

**POLICE Commissioner Balram Raghubir has come out strongly against the Guyana Human Rights Association (GHRA) in connection with recent allegations concerning the conduct of the Guyana Police Force.**

The GHRA had issued a public statement attacking the Police Force with respect to an incident when two youths were shot by a police patrol on the Kitty Sea Wall. The release claimed that there is public disquiet over the shooting and alleged that that fatal shooting of innocent persons by the Police had become a trend.

The Commissioner said that in his view, the statement was an irresponsible attack on the officers and ranks of the Police Force, pointing out that in the incident referred to, the youths attacked the Police patrol with a .25 colt pistol, a knife and a screw driver, the gun being used in the course of attack.

The full statement reads:

The Guyana Human Rights Association issued a Press release on November 4, 1985 concerning the conduct of the Guyana Police Force which has been brought to my attention.

The GHRA statement is, in my view, an irresponsible attack on the Officers and

Ranks of the Police Force, and I consider it my duty, under the circumstances, to respond to the allegations and the innuendoes contained in it.

"The GHRA statement refers specifically to an incident where two persons, Warren Barrow and Levi Hettymeyer, when challenged by a Police patrol at 03:45 hrs at Kitty Seawall, responded with an armed attack on the Police and were, as a result fatally shot. The two persons, 15 and 16 years old respectively, were armed with a .25 calibre colt pistol, a knife and a screw driver. The gun was used in the course of the attack."

It is regrettable that the Executive Committee of the GHRA has seen fit to issue a public statement which infers that the Police patrol was not justified in its action purely on the grounds of information which the Association claims it received from the families of the deceased persons. The Association has made no effort to consult me or any Police Officer in authority on the matter.

The Association claims that there is "public disquiet over the shooting," and alleges that the fatal shooting of "entirely innocent" persons by the Police has become a "trend". These allegations are unfounded.

"As Commissioner of Police, I have been at particular pains to ensure that the Police Force increases its efforts to reduce the incidents of armed robbery against and violent attacks on innocent citizens, while seeking to use the minimum possible force in performance of their duties. I am satisfied that my instructions are being carried out in both respects."

"In fact, Police Officers on patrol duty, during the course of apprehending suspected criminals, have frequently placed their own lives in jeopardy by using their weapons only as a last resort, and it is my belief

that the general public is fully behind and supports the Force's efforts to maintain the law and reduce the incidents of violent crime."

"The following facts will demonstrate the irresponsible nature of the statement issued by the GHRA: During the period May 1 to November 7 this year, the police have arrested 50 persons for the unlawful possession of firearms and/ or ammunition. During this period the police were attacked on 29 occasions, resulting in the shooting of 13 persons. On each occasion that the police were attacked a Police Officer suffered injury and two Police Officers suffered serious injuries, one officer being shot in the throat and the other in the head."

"The percentage of fatal shootings which have occurred during the course of Police action against persons in the unlawful possession of firearms and/ or ammunition is 26 per cent, whereas the percentage of violent at-

tacks against the police in the course of these arrests is 58 per cent."

"In the specific case cited by the Association, I am saddened by the fact that two young men still teenagers lost their lives, but it will be appreciated that, under the circumstances, the Police Officers on patrol could make no allowance for, even if it was possible to ascertain the ages of the persons bent on violence against them."

"In so far as the concern expressed by the Association for the administration of justice and the proper conducting of an inquest is of relevance, I am satisfied that the Police Force has fully adhered to the procedures required of it, both in regard to the particular incident cited and in regard to all other deaths which have resulted from a fatal shooting."

"Should the GHRA wish to conduct a responsible inquiry, I am certain it will find that my confidence in the Police Force adhering to these procedures is not misplaced."

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CSO: 3298/275

GUYANA

# GOVERNMENT ISSUES DETAILS ON NEW VISA REQUIREMENTS

Georgetown GUYANA CHRONICLE in English 22 Nov 85 p 1

[Text]

THE Home Affairs Ministry has issued a circular directing that visas be required of all non-nationals, except nationals of Suriname and 11 Caribbean countries, for entry to Guyana.

Persons born in Guyana or who hold citizenship by virtue of the citizenship of either parent, and in some circumstances, persons travelling on business with the Guyana Government, are exempted from the visa requirement.

Any person who is refused entry at a port of entry will be detained and placed on the first available flight, or vessel where applicable, out of the country.

The Home Affairs Ministry circular expressed "great concern" at the "frequency with which non-nationals arrive in Guyana without the necessary visa." It said airlines should urgently enforce the directive that where there is a Guyana Mission or Consulate, no ticket must be sold to any person wanting to travel to Guyana who does not produce a valid visa, and who is not exempt from the

requirement.

The visa requirement applies also to persons in possession of work permits, who must obtain their visas before embarking on their journeys to Guyana.

Countries whose nationals are not required to secure visas for Guyana are Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Jamaica, Montserrat, Saint Lucia, St. Christopher-Nevis, St. Vincent and The Grenadines, Suriname and Trinidad and Tobago.

The circular also makes an exception in the case of Government Ministries, corporations and other State agencies, where it is established that an individual is coming on official business with the Government of Guyana and where it would be inconvenient for that person to comply with the visa requirements.

In such cases, the entity concerned must apply to the Home Affairs Ministry at least seven days prior to the visitor's arrival so that arrangements could be made for clearance at the port of entry. —(GNA)

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CSO: 3298/275

GUYANA

## ARTICLE DISCUSSES PROS, CONS OF CARIBBEAN FEDERATION

Georgetown SUNDAY CHRONICLE in English 24 Nov 85 p. 5

[Article by Chanraj Bhagwandin]

[Text]

CARIBBEAN leaders are once again pondering the idea of a political federal union for the region.

But experts on Caribbean political history say this would mean carving a super structure that would clip the sovereignty and political power of individual states. And they question whether many Caricom states are prepared for this, and further, how feasible is such a union in the Caribbean, a region of diverse political background.

The idea came under focus two weeks ago when Trinidad and Tobago's Minister of Agriculture Kamaluddin Mohammed suggested that the creation of a Caribbean Parliament and a Federation would strengthen the Caribbean Community (Caricom).

### PLURALISM

According to a report from the Inter-Press Service, Barbados Prime Minister Bernard St John favours the idea as an answer to the region's economic and political problems.

While no public comment has been made by Guyana, the late President Forbes Burnham is on record as saying that Guyana is willing to support political unification. However, such a union must recognise ideological pluralism.

cautioned a senior Guyanese diplomat.

But Jamaica's Prime Minister Edward Seaga rejects the idea.

"Simply stated, we do not hold the view that Federation would be in the best interest of our region," Seaga said at a dinner held recently in honour of Trinidad and Tobago's Prime Minister George Chambers.

The federal idea was also rejected by the Jamaica opposition People's National Movement spokesman Percival Patterson.

Jamaica first rejected the ill-fated British West Indian Federation of the late 1950s after a referendum proved it unpopular.

The opposition People's Progressive Party also objected to Guyana becoming part of that grouping which it saw as being fostered by capitalist states to facilitate exploitation.

Trinidad and Tobago's George Chambers would not comment on the present debate.

Some observers argue that a political union of small states can put the region in a stronger bargaining position with foreign and economic competitors, and thus foster development.



With the pooling of resources, it can also facilitate easier administration but at the risk of building an expensive bureaucracy.

While the region has a history of functional co-operation, "it is doubtful whether the Caribbean Community, however effectively it may work, will ever develop into a political union". West Indian scholar William Demas said in an article published in 1972 in Trinidad and Tobago press under the caption: "What is the Caribbean Community".

Should Caribbean leaders attempt to impose a federal political union, they are likely to face a number of obstacles, in the opinion of several Caribbean political experts and historians.

With a history of failures of integration efforts in the region, doubts about the feasibility of a political union continue, especially in view of the current difficulties faced by Caricom.

Attempts by this grouping to co-ordinate foreign policy have met with limited

success.

Some theorists even argue that such a union is impracticable because of the plural nature of member states which differ ideologically.

More significantly, "...the history of the integration action in the region has been consistently characterised by the absence of any movement of popular enthusiasm behind it," points out Anthony Payne in his book: "The Politics of Caribbean Community" published in 1980.

#### NATIONALISM

The absence of a balance of power among states looms as another serious barrier as is evidenced by the consistent differences between the More Developed and the Less Developed Caricom states.

However, as the European Economic Community has demonstrated, many of these problems can be overcome if a strong political will is present. Perhaps, what is also needed is a promotion, and further growth, of Caribbean nationalism. [GNA]

/9365

CSO: 3298/275

GUYANA

# CATHOLIC EDITOR CALLS FOR AID SANCTIONS AGAINST GOVERNMENT

Port-of-Spain TRINIDAD GUARDIAN in English 1 Jan 86 p 5

[Text]

BRIDGETOWN, Tues., (Cana):  
JESUIT PRIEST, Rev. Fr Andrew Morrison, a long-time critic of the Guyana Government, says foreign donors should seriously consider refusing aid to the republic, if human rights abuses continued and economic and social reforms are not instituted.

"If you are going to give money to a country which will not use it to the best advantage of the people, you might as well not give it. I have always said that," Morrison told Cane.

The editor of the Guyana "Catholic Standard" newspaper was en route yesterday to his homeland, after trips to North America, where he spoke to organisations on the deteriorating economic and political situation in Guyana.

He denied a report in the State newspaper, "The Chronicle," that he has used his trip to advocate an American-led destruction of the Guyana economy.

"I have just arrived in the island, and seen this headline, and I think its ridiculous," Fr. Morrison said.

"The Chronicle" said Fr. Morrison had been travelling to many coun-

tries of the world, maligning Guyana, and urging foreign governments to intervene in Guyana's affairs.

Fr. Morrison said he had been talking only about the poor state of the Guyana economy, the country's high indebtedness and other truths.

Asked whether donors should decline aid, if the Government could not give guarantees of Press freedom and other civil rights, and put up structures to facilitate economic revival, Fr. Morrison said: "In short, yes..."

Fr. Morrison said at one stage, Guyana was the highest per capita recipient of United States aid, and yet the economy of the country deteriorated.

He added that giving money or lending money to the country, at this time was, not the major need. Instead, he said, there was need for a reform in the society, so that the Guyanese people could work together as one nation, and that "they can get just rewards for their efforts."

"Morale is very important, I stress. If you have rigged elections, if you have a repressive regime, if people are not encouraged to produce, they lose morale and try to get away from the country," he added.

/9365

CSO: 3298/275

29 January 1986

## GUYANA

## BRIEFS

**INJUNCTIONS AGAINST UNION**--The Guyana Mine Workers Union have had three injunctions filed against them within little over a year. The latest injunction, filed on Oct. 24 last, sought to prevent the Union from holding its second biennial congress. The injunction was granted by Justice Ramao in chambers on Oct. 24, the day before the congress was due to be held. An injunction seeking to bar the Union delegates from participating in this year's aborted TUC Conference was filed in September, and in 1984 one which sought to bar certain union members from sitting at that year's TUC Conference was also filed. The GWMU's chosen theme for their congress this year had been "Democracy and freedom: A Prerequisite to Economic and Social Progress." A number of motions were to have been considered, among them the issues of basic food items for Linden, transportation and free and fair elections. The feature address was to have been given by Mr Norman Semple, Regional Adviser to the International Labour Organisation on Labour Legislation and Relations, who had travelled from Trinidad for the purpose. [Text] [Georgetown CATHOLIC STANDARD in English 3 Nov 85 p 4] /9365

**PRIVATE SECTOR ROLE**--President Desmond Hoyte Monday reiterated Government's support for the private sector, when he met with Comrade Toolsie Persaud and Senior Executives of Toolsie Persaud Limited, at his Vlissengen Road Office. During the discussions the group pledged support for the party and government and undertook to work to ensure the party's victory at the polls. They also expressed the hope that the party would have a landslide victory. They also briefed the president on a number of issues relating to quarrying and the forestry sector, and on their efforts to improve production and productivity in those areas. The president thanked the businessmen for their pledge of support, and undertook to ensure that the operators in the two sectors were given every facility to increase their production and export performance. [Text] [Georgetown GUYANA COURIER in English 6 Nov 85 p 1] /9365

**REGIONAL SYSTEM PLANS**--New Amsterdam, (GNA)--Vice President for National Development Cde Ranji Chandisingh yesterday said that five other sectors in the regional system in Guyana will be established soon, so as to give more power to the people. The new sectors to be set up are the Subregional Council, District Council, Community Committee, Neighbourhood Committee and the People's Cooperatives. Cde Chandisingh made the disclosure when delivering the main address at the fourth annual conference of the PNC at Rose Hall Primary School, Corentyne, where several groups pledged support to the party.

at the December 9 elections. Also present at the conference sponsored by the East Corentyne-Berbice Region were Finance Minister Carl Greenidge, Minister within the Ministry of Agriculture, Dr Simpson Da Silva and Regional Campaign Director, Allan Munroe. [Excerpt] [Georgetown GUYANA CHRONICLE in English 11 Nov 85 p 3] /9365

NATIONAL ELECTRICAL GRID--New Amsterdam, Berbice (GNA)--The first phase of the National 69 KV Transmission Line Project in Berbice was completed recently. This project involved the erection of two self-supporting towers--120 feet and 220 feet high respectively--at Lochaber, West Canje, and Stanvastigheid, West Bank, Berbice. This project will form a means of connecting the GEC Canefield Power Station with Onverwagt for the purpose of transferring high voltage power across the Canje Creek and the Berbice River. The work was carried out by two local contractors--the GEC and Construction Management Co. Ltd (CMCL)--and was completed within the scheduled eight-week period. A senior official of CMCL commended the workers for what he described as excellent performances and good team spirit. The next phase of the project which is to start shortly will be the linking up of Canefield Power Station with No 31 Power Station, and the Onverwagt Station with Sophia. This is part of the National Grid Programme which is to link up all the GEC power stations in the country. [Text] [Georgetown GUYANA CHRONICLE in English 11 Nov 85 pp 3-4] /9365

CSO: 3298/275

NICARAGUA

WHELOCK SAYS PRICE INCREASES NOT AUTHORIZED

PA042330 Managua BARRICADA in Spanish 3 Jan 86 p 1

[Text] The Nicaraguan Government has not authorized any price increases for products--be they agricultural or industrial--or transportation, Commander of the Revolution Jaime Wheelock, agricultural development minister also in charge of production, employment, and salaries before the National Planning Council, assured BARRICADA last night.

Wheelock said that the recently decreed general salary increase does not authorize any industry or agricultural producer to increase their prices to the public.

The objective of the salary increase is to recover the workers' deteriorated standard of living, caused by 1985's inflation, which also affected professionals and technicians.

In the future, he said, any increase in the prices of consumer products will be duly announced and established by the central government. Wheelock said that the government feels that in the industrial sector the salary increase can be absorbed by basic production firms. This will probably affect the profits of many of these firms, but they can absorb it, he said. In other words, the salary increase must not be equated with a price increase in their products.

Regarding the agricultural sector, Wheelock said that most of the domestic consumption products for 1985-86 have been harvested, so any hike in the prices to the public is unjustified.

A similar situation can be seen in the transportation sector. "Fuel prices have not been increased, so transportation prices for cargo and passengers should not be altered," he said.

The member of the FSLN National Directorate did not deny that in the future there could be increases in the prices of basic consumption products within the revolution's economic adjustment program, but this will be duly announced and explained. Any sudden increases in this regard will be considered speculation and the organization must be reported.

"MICOIN [Domestic Trade Ministry] already has instructions to deal firmly with speculators and abusers," he concluded.

/6091

CSO: 3248/143

NICARAGUA

#### HEALTH MINISTER REPORTS ON CURRENT MEDICAL SITUATION

Managua LA PRENSA in Spanish 7 Nov 85 pp 1, 10

[Text] The minister of health, Dora Maria Tellez, stated today that the flight of medical specialists from Nicaragua "is very unfortunate." She added: "The revolution cannot be subjected to blackmail" by the health professionals.

At a breakfast with representatives of the foreign press in Nicaragua, the minister maintained that her government does not have the money to pay what some Nicaraguan medical specialists ask for working in the health centers.

She maintained: "How could we pay you the million cordobas you ask for if we do not have it?"

She added that there is no obstacle to the private practice of medicine in the country. She stated that there are doctors who are only in private practice.

Minister Tellez felt: "Private medicine can play a social role in this country like private enterprise does. There is no restriction."

As to the national campaign that her office is now carrying out against a dengue epidemic, the Sandinist official said that they have spent more than 100 million cordobas to fight the disease so far (at the exchange rate of 25 to 1).

She also reported that the Red Cross in the Nordic countries recently donated 200 tons of insecticide to Nicaragua to fight the dengue epidemic. This saved the government about \$1 million.

The minister stated that the Cuban Ministry of Public Health has also supported and helped organize the campaign against dengue.

In October, President Daniel Ortega publicly expressed the possibility that the presence of dengue in Nicaragua is due to "bacteriological warfare" unleashed by the U.S. Government.

Minister Tellez said that "we do not yet have" the results of those investigations.



She stated: "It takes months to seriously study all elements. What concerns us is how dengue appeared and when."

The minister who is also a guerrilla commander and Sandinist representative to the National Assembly stated that "they cannot perform magic" with the tight budget that the Ministry of Health receives.

She stated: "The more war there is, the less budget there will be for health."

Referring to medicine, the guerrilla commander said that Nicaragua spends its total annual revenue from meat exports to buy medicine.

The trade blockade imposed by the United States affects foreign currency revenue. Meat, for example, must be sold to new markets at a lower price which means less revenue to buy medicine.

She said: "Nicaragua consumes about \$40 or \$50 million in medicine each year."

The minister also maintained that the increase in cases of diarrhea in Nicaragua during the last 3 years is caused by several factors.

For example, the guerrilla commander said that there are fewer garbage trucks in Managua now than in 1982 which obviously causes a health problem.

The minister of health stated categorically that there have not been any cases in Nicaragua so far of the virus that causes the disease known as AIDS.

She stated: "There could be two reasons for this. Either there have not been any cases or we do not have the necessary technical means to make a diagnosis."

However, the minister said that she had asked for information from WHO on how to fight that disease that is just becoming known in the developed countries.

The minister called the law which prohibits abortion in the country under penalty of jail an "idiotic law." However, she maintained that this law could not be changed without "a social consensus."

Minister Tellez said: "Hundreds of women are seen at Bertha Calderon Hospital for injuries caused by abortions done by unqualified persons."

The minister maintained that the main problem is that women still get pregnant without wanting to be. There must be an educational campaign.

A Mexican journalist cynically and disrespectfully asked if that "idiotic law" corresponded "to an idiotic people." The guerrilla commander responded that it is due to a certain "conformity" of the Nicaraguan women.

7717

CSO: 3248/115

NICARAGUA

EDUCATION MINISTER ON TEACHERS BRIGADES

Managua BARRICADA in Spanish 15 Nov 85 p 5

[Excerpt] "To mobilize a brigade of 1,500 youths to the countryside to teach reading and writing is a great accomplishment in any part of the world...but if we view it in the light of danger, war, and death, it acquires heroism and human beauty." Father Fernando Cardenal, minister of education, stated this yesterday.

He said that the seven teachers murdered by the mercenaries while they worked in the 50th Anniversary Educational Brigade exemplify the history of the "Educational Department of the Defending Army, Sandino, and Carlos Fonseca's ideals about the projects of the revolution."

Fernando maintained that the youths killed are heroes of the people, "very special heroes." He explained that if death in combat with a rifle--where there is the real possibility of dying--is a mammoth feat, the death of someone who is not only teaching others to read but is also unarmed is even more moving.

Accomplices Who Keep Silent

Father Cardenal asked: "What words can be used to express these deeds?" He pointed out that these murders "deserve repudiation from all sectors in all the countries of the world. The hierarchy of the Catholic Church must be the first to condemn them."

He indicated that if there is "criminal complicity" when there is silence about soldiers killed in defense, "what can we say about those who are silent facing the cruel murder of these youths who did noble work like teaching someone who does not know?"

He continued: "As Leonel Rugama said, these youths did not say that they loved the peasants but showed that they loved them...and even gave their lives for them. This is opting for the poor."

## Awareness of This Marvel

Fernando placed his hopes and his complete confidence "in this new Nicaraguan youth," in the fact that 75 percent of the members of the brigade have decided to remain as teachers in the mountains. The Region I Vanguard has 90 percent of its brigade members signed up for next year.

The minister stated: "This is a marvel and it is important that we do not see this marvel without realizing its importance." He again pointed out the heroism of the murdered youths and those who are still in the hands of the counterrevolutionaries.

He stated that the revolution will pay homage to the murdered brigade members when the brigade is received in Managua in December. However, he stated: "The greatest homage will be more volunteer teachers joining and the people constructing a special monument in their hearts to them."

7717

CSO: 3248/115

NICARAGUA

#### PRIMARY SCHOOL DROP-OUT RATE DISCUSSED

Managua BARRICADA in Spanish 28 Oct 85 p 6

[Article by Roberto Fonseca]

[Excerpts] Since the 1980-81 school year, the primary school drop-out rate has risen to more than 15 percent which makes it an alarming problem.

For example, it reached 17 percent in Managua last year while this year it increased to 20 percent.

In Region IV which includes departments like Masaya, Granada, Carazo, and Rivas, 8,153 children, representing 8 percent, dropped out of school in 1984. This has now increased to more than 10,000 children or 12 percent. Enrollment has gone down almost 20,000.

Throughout the country almost 100,000 children leave their studies "halfway through."

According to Carlos Aguirre, regional delegate of the MED [Ministry of Education] in Managua, there are several causes. The MED official said: "The physical conditions of the schools affect the school drop-out rate. If the roof is bad or if they have to sit on the floor due to a shortage of desks, they will very likely leave school." In Managua, for example, 80,000 children sit on the floor because there are not enough desks.

Aguirre stated: "Unemployed people have trouble keeping their children in school even if it is free." For example, a graphite pencil costs about 50 cordobas. A beverage costs at least 30 cordobas a day. He stated: "When they are on a tight budget, they opt to take them out of school."

Another element that discourages the child is a lack of labor discipline-- "that is, teacher absenteeism." He argued that this is due to the fact that more than 70 percent of the teachers are women. "If the teacher is not sick, her children are so she does not come." That is the great problem of the working woman in Nicaragua.

## Teachers Give Opinions

Lucy Campos Enriquez is the director of the Ruben Dario School which children from the districts of San Luis, Larreynaga, Las Torres, and Mercado Oriental attend. Some 257 children have dropped out of this school, 159 from the morning session and 88 from the afternoon.

The director stated: "The majority of the children have few economic resources. Most of them sell tortillas, tomatoes, etc. This takes time away from their studies, they do poorly in class, and the parents mistakenly opt to withdraw them."

According to a census taken at this school, 15 out of every 30 children work. She indicated that those who drop out are almost always in first to third grade. "Since they are little, they say that it is nothing to lose a year." The result is that "we have youths up to 16 or 18 years old who are still in primary school because the parents have taken them out of class and they have to repeat."

However, the causes are not all due to strictly economic factors. "Many of the children have family problems because they live with their stepparents who do not care about their future." She added: "It is more important to them for the children to work."

She indicated that another problem is the parents' lack of interest in supporting their children in their daily studies. Some do not know how to do it, perhaps because they have just become literate. However, she stated: "It is not always necessary to know. It is enough to just check the notebook." She added: "There are parents who do not even know if their children really come to class."

For example, a 12-year-old boy who was in third grade only went to class 6 days in September. "They thought he went to class but he spent the entire day goofing off." She stated: "This shows the need for a well-educated family that is concerned."

## Director Makes Parents Responsible

At the Luis Alfonso School located in Maximo Jerez, 156 children have stopped learning their numbers and letters. Victoria Moina, assistant director of the center, indicated: "We have had to combine several grades. There are two second grades in the morning session and two first grades in the afternoon."

She stated: "The parents do not usually report withdrawals although they are obliged to report this to the school director." However, the parents do not have sole responsibility. The teachers are not concerned about learning in-depth causes. The problem is handled impersonally through a written note.

The director said: "The teacher sends a note asking if the student will continue or not. In some cases, the parents answer with a note. In other cases, they do not even do that."

The parents claim the withdrawal is due to a change of residence. However, they do not ask the school director for verification to enroll them when they move. Therefore, they will not continue in school.

She also acknowledged: "If the teacher does not come, neither do the children. They get tired of coming and leave school." She added: "Every day five or six teachers per session are absent."

Another cause is the break-up of a marriage, according to the director. "Generally, the mother leaves with the children."

Idalia Martinez Torres, a first grade teacher at that school, stated that the absence of the teachers is often due to the fact that they do not have anyone to leave their children with. The director prohibits bringing them with the teacher. "We have requested that, but they have not listened to us," she said. She stated categorically: "This measure is not covered in any MED regulation."

She indicated that it is hard for the teacher to personally attend to each dropout "because we leave late and we have to get home early."

#### ANS Indicates Basic Problem

Marissa Olivares, regional secretary of the ANS [Association of Sandinist Children] in Managua, stated that the basic problem is that education is very cold, very rigid. She stated: "The children feel that school is very boring; they do not like it." Some even view it as a boxing ring.

She indicated: "The classroom must be more informal so that the child feels good, confident." She added: "There is a problem with the teacher's concept that she is the only one who has opinions because she knows it all."

She stated: "In the MED there is more concern about administrative matters than pedagogical ones." She asked when an educational technician has been interested not only in statistics but in how education is going or in sports for the children. "These are as important as reading and arithmetic."

Another problem is the lack of motivation of the teachers. "There is no incentive policy for the teachers. However, there is for professionals, technicians and workers." She added: "It should be the most exalted profession due to the importance it has for society."

#### Solutions Proposed

Marissa indicated: "Our main effort must be to help make the school more attractive and pleasant for the children," working with the teachers so that school becomes more informal and working with the parents so that the environment is more favorable.

Carlos Aguirre, a MED official, indicated that "the solution to the problem lies in society as a whole and, more concretely, in the educational community



of each school." He considered the parents a basic part of this. "They must put education first among the needs of their children."

He also stated: "Community action can help us a lot in this." He indicated that the CDS [Sandinist Defense Committees] can help by talking to the parents about why their children do not stay in school.

Meanwhile, thousands of children wistfully watch their dreams of continuing school and becoming a doctor, a professional, a technician, or a skilled worker disappear.

7717

CSO: 3248/115

NICARAGUA

# EDITORIAL EXPLAINS MILITARY RESERVE SERVICE

Managua BARRICADA in Spanish 29 Oct 85 p 3

[Article by Captain Pozo]

[Text] Who Must Register?

Comrades required to register with the Military Reserve Service (SMR) are those born between 1 January 1945 and 31 December 1960.

For the purposes of this registration and in order to facilitate this task for workers, registration boards will be set up in every work center. These boards are empowered to register citizens in the age group given.

The registration boards are going to be set up and some are already at work in work centers. These boards are made up of comrades who head the work centers, trade union leaders and other mass and political leaders of work centers.

At these places, registration will be carried out on 30, 31 October and 1 November, based on the schedule which the boards have. The number of comrades at each center will be spread out over the three days so as not to affect production.

The lists of comrades who must register have already been made up.

Every citizen will fill out the registration papers following an official format drawn up by the Ministry of Defense.

After these sheets are filled out, the boards will issue a card to the comrade proving his registration or they may also issue the customary military draft card. The card must always be carried, according to the instructions issued for all activities of male and female comrades.

[Question] How will those making up the reserve units be chosen?

[Answer] Citizens registered for military service will be assigned to reserve units, following their selection.

We wish to take this opportunity to note that in the summons appearing in the newspapers today, it was stated, possibly due to a printing mistake, that these persons will gradually be assigned to the different military units. This could practically be interpreted to mean that all comrades registered will be assigned to such military units.

We wish to make it perfectly clear that not all comrades registered will be assigned, but rather, it will be only part of them, based on a preliminary selection and criteria that we have already established, such as, for example, combat experience, military and technical ability or training that comrades may have acquired. Many of those who will register are comrades with up to five, six or even eight mobilizations in old reserve battalions, so that this will be a fundamental criterion in the choice.

We repeat: Not all comrades registered will be called; only part of them will be assigned to reserve units. This clarification is mainly for point 5 of the summons which was published today.

That same summons notes the requirement to register, based on the Patriotic Military Service Law in general and Article 42, paragraphs a and b, which should be read along with the summons: "Citizens who fail to comply with this summons without proper justification will, if between the ages given and at the work centers noted, be subject to Article 42 of the law, which states:

"a) anyone failing to appear within the period of time set for registration: imprisonment for between 3 months and 2 years; and b) anyone not appearing when summoned for the hearing, examinations or medical treatment or related reasons: imprisonment for between 1 and 6 months."

When there is a cause justifying the absence of the comrade or failure to appear for registration, there will be no problem. For example: "I did not register on 31, 31 October or 1 November for the following reasons and I have now come to exercise my right and fulfill my obligation to register." The reasons must then be given by the comrades.

In order to ensure that all comrades register, a series of clarifications have been issued. For example, on Saturday two weeks ago, training talks were given for all comrades who will function as recorders on the boards and the work centers were visited in order to set up, become familiar with the work of materially registering comrades and engage in all the work of clarification and explanation concerning Reserve Military Service.

Following registration, these comrades will be chosen by a committee that will include, in addition to zonal military delegations, the heads of or officials from reserve units to which these comrades will be assigned. Possibly between 24, 25 and 30 November, we shall summon comrades chosen to appear before the zone military delegations for their assignment to reserve battalions. The battalion in question will be linked to the place where the comrade lives.

In other words, the assignment of workers to their reserve battalions will be based on the place of residency and on what residential battalion area the

comrade's address corresponds. This is how the smaller reserve units will be made up.

#### Not Relieving BLI Troops

We do not know why a number of persons have circulated the idea that the reserve troops will replace or relieve those comrades now in the BLI. It is even illogical to think that the comrades in reserve units, who will receive no more than 1 month a year or 2 weeks of training every 6 months could replace the comrades in the BLI, who receive another type of training. From the very standpoint of age, these are comrades from 25 to 40 years old and those in the BLI are young men from 18 or 19 to 23 or 24 years of age. In other words, the reserves will not replace any troops in the Active Military Service. Comrades in the Active Military Service already have their own replacements who have come from the recruiting we have done in previous months.

In other words, these men cannot be replaced with reserve troops.

There were other concerns about whether the comrades would be regrouped when called for military training. Some thought that the training would be given in one place, during the day, and that they would return home at night.

That is not possible. The military training they will receive is intensive. It is imparted at a given field area and the troops will have to stay there as long as the instruction lasts.

In general, the workers are highly willing, as we have seen at the different assemblies held. Some workers want to know if they are going to receive all their military equipment, if they will have uniforms and boots. We explained that they would, that they are properly organized reserve units and that they will have their own logistical supplies ready to be assigned to each and every one of them. This will ensure the fighting preparedness of these units for any situation or any direct military attack on our capital by American imperialism.

#### Pay

Intensive work of clarification has been done so that our people will know our official response to a number of concerns we have observed at the assemblies.

We wish to present these concerns along with all the answers so that our people may know them.

Some workers have asked if, when they are mobilized for military training, their pay will be maintained.

The answer is positive. First of all, the combat training or mobilization of reserve troops for military instruction is established by law at 1 month a year or 2 weeks every 6 months.

During that period, whether of 2 weeks or 30 days, comrades will continue to receive their wage and will naturally maintain the post or responsibility he holds at his work center.

Another of the concerns is whether they will leave Managua for training and this question mainly comes from comrades who have little experience with military training.

We have clearly stated that the military training is not necessarily received in the urban area of Managua strictly speaking, although the units are for the defense of the capital. They are among the main defense forces of our region, but the training has to be sought, the combat training has to be given, while seeking the greatest possible similarity to the reality in which those comrades might be involved. Consequently, it may be given in places near the capital.

#### Registration Is Not Draft

A specific number of comrades will be assigned to the roster of a reserve battalion; these troops will make up the reserve battalion. First of all, one must eliminate the idea of recruitment. In the Reserve Military Service, there is no recruitment. What one has is an assignment from the zone board to the reserve unit.

The process will more or less be as follows: We shall summon the comrade based on the territory. His official summons will arrive and such summons will be spread out so as not to affect production. Comrades will be assigned to a small unit, let us say, Company 1 of the 1st Battalion of a given brigade. He is simply assigned to the unit and told: "Look, your squadron leader is so-and-so, your platoon leader so-and-so, your company leader so-and-so, your residential area here, the notification plan we will follow such-and-such, and so on." Everything will be explained.

Later, after the formalities are taken care of, the comrades are released to wait until they have gone through everyone. When we have the battalion completely formed, the battalion leader calls all the troops to fall in and the final organization is given to the battalion. The men are shown the battalion headquarters, all the members of the staff are introduced and all the specialists named. This is a simple ceremony and the men then proceed to their respective jobs.

As far as the military training of the comrades, which is what we are mobilizing for, it will be based on a program of combat training to be put together by the military region.

The military training will be organized based on the criteria of the different ministries or areas heading up the different production sectors, because it is possible that based on the assignments made, several comrades from the same work center may be concentrated in the same small unit. Consequently, in mobilizing the battalion or a small unit, we would be directly affecting the production of such work centers.

We therefore repeat these criteria of assignment of comrades and the criteria for drafting plans of military training based on dates. They will be analyzed by the Ministry of Industry along with us and with other institutions that are related to productive activities. In this way, we shall not affect productive activity.

Given an emergency situation, if there is an attack and we are being invaded, for example, the plans and mobilizations will then move to another level, to a war footing. This would be another situation confronting us. Based on numbers, this is an internal matter for the army. We do not generally give out numbers for staffs or personnel; that is a matter of military secrecy.

[Question] Will the different areas of specialization of those registered be taken into account?

[Answer] Yes. The area of specialization of comrades and the experience of which we have spoken, combat experience, will be taken into account, even their ages. If we can choose from among the number of people we will register comrades up to the age of 33 and 34 and still meet our quota, then that is as high as we will go in assigning comrades to reserve units. As far as areas of specialization and skills which the people have, that also will be taken into account.

For example, there will be comrades who have already taken technical and military training courses and who are already specialists. They can be squadron leaders and communications chiefs, if their specialization is that they are TELCOR [Nicaraguan Telecommunications and Postal Services] workers. They can be the heads of small transport units, and so on. Furthermore, TELCOR comrades and workers from COVIN or MINVAH [Ministry of Housing and Human Settlements] will be assigned to units such as the Communications Battalion, for example, which will be made up of personnel with such technical skills.

[Question] What will happen in the case of private companies, some of which have even penalized the workers?

[Answer] We are already working with some 17 private companies and have had meetings to clarify the situation. The directors of the private companies have had a meeting with us in order to be trained and they were quite willing to carry out the registration at their centers of work.

At the same time, they were told of their obligations, of the duties they have to the SMR law, and we hope that there is no difficulty with respect to their workers. If there were some problems, they were possibly at the beginning of the work with the Active Military Service and they are being overcome. We have smoothed away some difficulties and for the Reserve Military Service, we repeat, this is being settled and everything is ready to begin.

[Question] Captain, since you cannot give exact numbers, you could possibly tell how many people will be affected in general.



[Answer] Workers?

[Question] Workers in general.

[Answer] We can say that in Managua, it is considered that there are some 45,000 workers of all ages working for the government or in the People's Property Area, including that small group of private businesses. The criterion for assigning them was that they had over 100 workers.

One could do some figuring and say that of that total number of workers, only those between the ages of 25 and 40 would be affected. Of those we shall register, 43 percent will be assigned to complete our reserve units, meaning that 57 percent will be registered but not called at the present time or assigned to reserve units, and they will remain with the possibility of continuing in the militia units.

[Question] What will happen with those working in Managua and traveling to the departments?

[Answer] There are two types: floating personnel, meaning the personnel remaining here all week and going to their place, to Granada, Masaya, for weekends. Those comrades will be registered here and assigned to where they spend the five days of the week.

Comrades who only come to work during the day and who go home at night will also be registered, but in order to be transferred to their region later, so that the reserve work may begin at the proper time. It would serve no purpose to have them registered here if we cannot mobilize them for a given emergency situation because they are spending the night somewhere else and not spending most of their time in Managua.

[Question] What will be the basis for determining the period of 2 weeks or 30 days?

[Answer] It will depend on the criteria we have mentioned here and productivity.

[Question] When will the enterprises not on today's list be called?

[Answer] The list contains all the work centers we require.

[Question] In other words, those not included are exempt?

[Answer] That is correct, for this first phase.

[Question] When does the second phase begin?

[Answer] We are not yet ready.

[Question] .... [sic]

[Answer] The military units have their own premises, their battalion headquarters and will have their own store, supplies, and so on, which is where they will keep all their military equipment. We already have experience in this; our people know that the militia units keep their guns, weapons and that when notified, they go get them for any emergency situation.

[Question] (Not audible)

[Answer] All, from the comrade who heads a work center to the doorman, the worker with the least responsibility; they will all be registered. We repeat: They must register, but their selection and assignment to reserve units will be based on the criteria that we have.

[Question] What about those in the MPS [Sandinist People's Militia]?

[Answer] If the comrade is of the age of Reserve Military Service, from 25 to 40 years of age, and is working at the centers we have chosen, he must register. If, after he has registered, we choose him and assign him to a reserve unit, he will leave the militia and go to the reserve battalions.

[Question] Have you calculated the percentage of personnel who will leave the country because of this measure?

[Answer] No, and we hope that that will not happen, any flight of our comrades. The assemblies we have held with workers have included the directors and professionals at those work centers, along with technicians, and we have discovered this attitude: Anyone thinking (about leaving), I imagine has been doing so since long before the matter of the reserves. Furthermore, there is no reason to leave because we will possibly take into account the fact that if someone has that fear of not being militarily prepared, then that will also have to be taken into account.

We cannot call up a person with such an attitude. Furthermore, in view of that concern, we have felt at the assemblies that this matter of military training was something expected. We felt a kind of exigence on the part of our comrades. I do not know if you remember, but when we advertised the Active Military Service, it was decided why only the young men of 18 to 24 had to registered, why only the young men and not I, who need to be trained. We perceived it as a right, a demand on the part of comrades that they be prepared for any situation, in order not to stand idly by in any emergency. We therefore have not seen the need to calculate such things.

11,464

CSO: 3248/116

NICARAGUA

BRIEFS

USSR DONATES SUGAR, RICE--Within the context of the "Nicaragua Must Survive" international drive, a Soviet ship arrived today at the port of Corinto, 151 km west of Managua, with a substantial donation for the Nicaraguan people. The gesture of solidarity from the Soviet people is represented by 14,020 quintals of sugar and 9,520 quintals of rice. [Text] [Managua International Service in Spanish 0000 GMT 4 Jan 86 PA] /6091

DANISH LOAN--More than \$150,000 in equipment for poultry farms has arrived from Denmark, according to information released by the Agricultural Development and Agrarian Reform Ministry (MIDINRA). This equipment has been assigned to state poultry farms with a daily production of more than 16,000 dozen eggs in order to increase their productive capacity and enrich the Nicaraguan people's diet. This \$150,000 is part of a line of credit which was given by the Danish Government to Nicaragua. [Text] [Managua Radio Sandino in Spanish 1750 GMT 18 Dec 85 PA] /6091

CSO: 3248/143

PARAGUAY

FOREIGN EXCHANGE RATE FLUCTUATIONS ANALYZED

Asuncion ULTIMA HORA in Spanish 2 Dec 85 p 8

[Text] In the first half of November, the open rate of the dollar went down more than 100 points. This trend changed in the second half and the month closed 60 points under the rate at the end of October.

The behavior of the dollar during the year was marked by a rising trend until August. In January the dollar was quoted at 400 guaranies, in April the rate was more than 500 guaranies, in June it reached 600 guaranies, in July it rose to more than 750 guaranies, and in August the dollar set an all-time record at 1,100 guaranies.

After this peak in August, the dollar began to deflate. The selling rate in September closed at 850 guaranies, after having gone down temporarily to 720 guaranies. In October it closed at 710 guaranies after going down to 700 guaranies. It closed in November at 650 guaranies after having gone down to 600 guaranies.

It can be seen, then, that the dollar rose 700 points from January to August and then went down 450 points from August to November. At the end of November, it was 250 points above the level recorded in January.

November

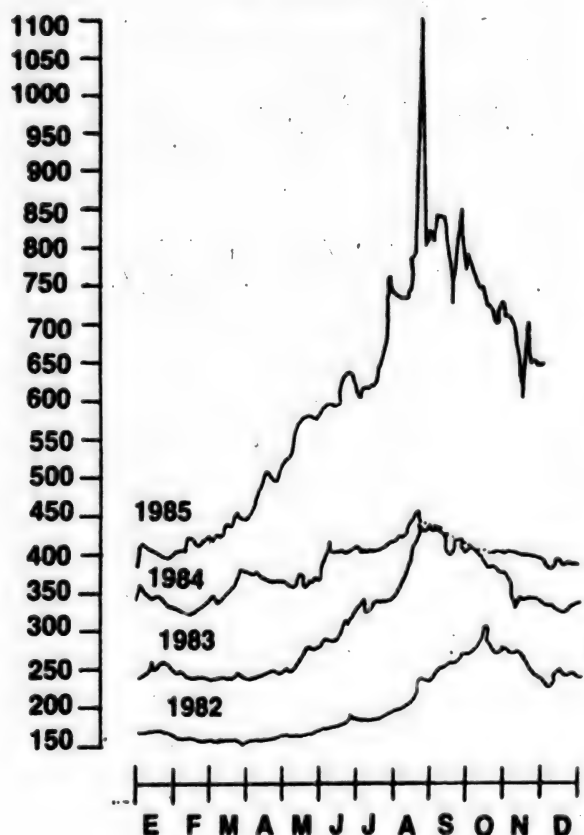
In the first half of November, there was a vertical drop from 710 guaranies on 4 November to 600 guaranies on 13 November. However, this slide did not continue.

On 15 November, the rate went up to 660 guaranies and, on 18 November, it rose again to 700. The dollar again dropped later, but more moderately, until it more or less stabilized at around 650 guaranies.

The selling price went down to 650 guaranies on 21 November, rose to 665 the next day, dropped again to 650 guaranies on 25 November and to 645 on 27 November. It rose once more to 650 guaranies on 29 November.

In December, the rate will probably waver between 660 and 650 guaranies, not continue to drop.

**COMPORTAMIENTO DE LA  
COTIZACION DEL DOLAR 1982 - 1985  
(TIPO VENDEDOR)**



Behavior of the Dollar 1982-1985  
(Selling Price)

The chart shows the behavior of the open rate since 1982 and its evolution during different times of the year. The similarity in trends is noteworthy although the sizes of the rises and falls differ.

In 1983, the rising trend increased compared to 1982. In 1984, this escalation stopped, softening the rising curve. A relative stability was expected in 1985 but there was a very pronounced rising trend that broke the mold of the previous years. There was also a greater decline in the second 6 months.

With this background, there is great probability that the dollar will behave the same in 1986 although the size of the rising trend cannot be predicted.

We must keep in mind the historical behavior of the local rate for U.S. currency which, at the very end of the year, goes down to rise again in the first months of the new year.

It is also necessary to consider that it showed atypical behavior in August of this year, setting a record that many hope will not be repeated.

The behavior of the dollar in 1986 will depend on, in addition to structural factors, the policy that the government adopts on rates of exchange for foreign trade and for the entrance of capital.

This year, the system of anticipated foreign currency established for cotton and soybean exports had a major influence on the domestic foreign currency market.

Business sectors expect the Central Bank to order new adjustments of the rates of exchange for exports.

7717

CSO: 3348/288



PARAGUAY

# FULL INVESTIGATION OF BCP FOREIGN EXCHANGE FRAUD URGED

Asuncion ULTIMA HORA in Spanish 28 Nov 85 p 14

[Editorial: "Fraud in Central Bank of Paraguay"]

[Text] The scandalous fraud in the Central Bank of Paraguay, governing organization for national currency, must be cleared up completely. The judicial investigation of the case is uncovering frauds and illegal procedures totaling millions of dollars.

While the country was facing its worst crisis in its exchange system, officials who control and supervise foreign currency operations committed fraud, apparently on an unprecedented scale in recent years. People from firms and enterprises outside the bank, allied with some directors, also participated in the fraud.

Suddenly the corruption has been revealed. Systematic accusations from past years are finally receiving the investigation they deserve which the honest citizens of the country have been waiting for.

This clarification at the judicial level must be followed, as is already happening, by the dismissal of those indicted and their subsequent punishment based on the law and the economic and financial harm that they have caused the country.

It is also just to expect that they repay the treasury for the money and assets taken from its coffers or those that should have been deposited in them. Otherwise, the punishment will not set an example and theft and illegal appropriation of what belongs to the state will continue to enrich dishonest officials.

As hearings continue, new names appear and extraordinary figures are revealed. The case of the manager of the Central Bank of Paraguay, Augusto Colman Villamayor, is simply an example of the impunity with which fraud within the institution was tolerated for a long time. It is not appropriate to say that he was perhaps induced or encouraged by foreigners to become corrupt. No matter how much confidence he merited in the performance of his duties, no excuse can alter his responsibility as a top state official to work correctly and honestly.

Now is the time when public attention justifiably focuses on the Central Bank cases. There is no question about expecting complete disclosure about those responsible for the fraud. The expurgation of its atmosphere, getting rid of all those who acted irregularly, must be a decisive step toward recovering its needed reputation and reliability.

The material and moral damage inflicted on the country is too great to make distinctions or establish gradations in these criminal deeds. No one, no matter how powerful, can have impunity when the objectives of justice in this case are to investigate, clarify, and apply the law equitably but strictly.

7717

CSO: 3348/288

PARAGUAY

BRIEFS

EXPORTS REVENUES-- From January to November of this year, soybean seed and cotton fiber contributed revenue of \$252.1 million or 83.9 percent of the total revenue of \$300.5 million for exports from our country. The unit values of these products were \$148.20 per ton for soybean seed and \$598.70 per ton for cotton fiber, according to the General Directorate of Customs. Export prices per kilo, FOB, were 47.4 guaranies for soybean seed and 191.6 guaranies for cotton. Soybean exports reached a total value as of November of \$112,524,252 for a total volume of 759,374 tons or 37.45 percent of the country's exports. The total value of cotton exports was \$139,568,011 for a total volume of 233,104 tons or 46.45 percent of the total export revenue. Next comes the wood sector which exported 182,281 tons for a value of \$8,863,642 or 2.95 percent of the export revenue. In fourth place is tung oil which contributed 2.06 percent of the foreign currency from exports or \$6,183,858 for a volume of 7,765 tons. Meat products and edible oils (almond, palm, soybean, coconut, peanut, cotton) share fifth place with 1.96 percent of the total revenue. Meat products yielded revenue of \$5,894,263 for a volume of 18,041 tons and edible oils produced revenue of \$5,891,433 for a volume of 11,629 tons. Tobacco was next with 1.62 percent of the total revenue, contributing \$4,862,824 for a volume of 4,343 tons. In seventh place is quebracho extract (tannin), 1.18 percent with revenue of \$3,555,147 for a volume of 5,174 tons. There were also contributions from the following sectors: peanut, \$3,092,153; essence of petit grain, \$2,265,866; essence of mint, \$1,963,064; and spurge seed, \$1,913,375. The essential oils (petit grain, mint, lignum vitae, eucalyptus, citronella, rose palm) together totaled \$5,100,438 or 1.7 percent of the export revenue. [Text] [Asuncion ULTIMA HORA in Spanish 4 Dec 85 pp 12-13] 7717

CSO: 3348/288

PERU

## CANDIDATES FOR MAYOR OF LIMA BEGIN CAMPAIGNS

PPC: Bedoya de Vivanco

Lima EL NACIONAL in Spanish 1 Dec 85 p 10

[Interview with Luis Bedoya de Vivanco, mayor of Miraflores; date and place not given]

[Text] During the second half of next year, the third municipal elections since democracy was reestablished will be held in the country. This contest, as in the two preceding cases, will serve as a thermometer to measure the support which the electorate is giving the central government, in this case headed by Alan Garcia, which on 14 April took office with a historic and overwhelming majority of votes.

Although with the caution the circumstances dictate, the main political forces have begun to draft their internal strategies, above all for winning the post of mayor of metropolitan Lima, an important political bastion wherein 6 million people are represented, in other words one-third of the population of Peru.

In the Popular Christian Party [PPC], it is regarded as almost certain that the candidate for mayor of Lima will be Luis Bedoya de Vivanco, although the congress that party is to hold in the early months of next year will have the last word. The heir to the political reputation of his father, Luis Bedoya Reyes, the "Tucancito" (Little Toucan) has plunged into public life with brilliance since he became mayor of Miraflores.

A lawyer by profession, during the Belaunde regime, he served as an adviser without compensation to the ministries of industry and justice which, it will be recalled, were headed by PPC members. Luis Bedoya has served for 3 years as deputy secretary general for politics of the PPC. Winning the post of mayor of Lima is for him one of his most cherished political dreams.

Mayor of the Year

[Question] How do you assess your own municipal administration?

[Answer] My municipal administration has been positive. I say this because a periodical chose me as "mayor of the year" in 1984, while another included me on a list of the 10 best mayors in the country for 1985. In fact, I have tried to launch a program of change, in some very dramatic respects, in order to make Miraflores into an orderly, clean, attractive city without problems. The projects we are carrying out, basically affecting the social and cultural sectors, have been possible in principle because we undertook a real organization of the municipality which made us the only district carrying out projects with its own resources. We quadrupled income in Miraflores in the first year, and doubled it in the second, thanks to efficient fiscal work and a system of payment facilities for taxpayers.

We are leading a municipality with a peaceful labor sector, with resources and with a well-organized administration. In the city, as the residents can attest, there is cleanliness. There are no problems with transients, the streets and sidewalks, some sections of which had deteriorated, are being repaired, and public lighting is much improved today, following the launching of a campaign for the lighting of the streets and avenues. One of the most important projects we leave behind is the 5-Kilometer Park, which is being built on the Costa Verde, which is destined to become a recreation center for many, including athletic fields and facilities for the leisure and amusement of both children and adults. I call this project "the social club of the poor."

[Question] What is your view of the administration of Dr Alfonso Barrantes?

[Answer] As a politician, Barrantes is a man who has shown great capacity and calm. I would say, then, that he is much more of a politician than a government official, since his personal merits have not been reflected in the council. During his administration, inefficiency and improvisation have been seen, showing that the United Left was not prepared to govern. In many respects, Lima has slipped backwards, and if some work is under way, it is not thanks to the initiative of this municipal administration. While Eduardo Orrego was in office, credit was obtained from the World Bank for projects which, as it so happened, Barrantes was to initiate. As a result, the United Left should admit that Orrego saved Barrantes.

[Question] Would it be difficult to administer the municipality of Lima if the APRA [American Popular Revolutionary Alliance] controlled the central government?

[Answer] Not at all. To judge from my experience with the Miraflores Council, since I have had no major problems and do not expect to have, with the Popular Action and to date with the APRA, I do not believe there will be difficulties with this sort. It must be understood first of all that municipal action is not political action. The United Left failed precisely in making the municipal administration a platform for political activity. Obviously, the ideological concept of each group will be reflected in the work done.

I think moreover that it is the responsibility of all politicians to seek lines of agreement rather than confrontation, and, consistent with this same



attitude, to attempt to contribute rather than to demand everything from the central government. In the final analysis, I do not think that the APRA will try to be obstructive.

[Question] What is your view of the administration of Alan Garcia?

[Answer] This government is surprisingly active and different from all the preceding ones, although I believe that there are many fundamental aspects which have still not been defined, especially where the development strategy is concerned. However, the balance is positive after these first 3 months of administration.

[Question] What party has the best chance of winning the post of mayor of Lima, in your view?

[Answer] The great competition this coming year will be between the APRA and the PPC. I am optimistic, and I believe in the confidence of my people, who want to see achievement. It must be admitted that the APRA cannot control the 1986 municipal elections merely one year after winning power. In the event that Alfonso Barrantes runs for reelection, I am certain that the APRA will not surrender the advantage either, solely to maintain good relations with the United Left. I do not believe, as has been postulated, that the APRA would sponsor a losing candidate, if Barrantes runs for office. On the contrary, it would put forth one of its best men. But, on the other hand, I do believe that the APRA might lose the elections through the candidate of the PPC.

IU: Acosta del Pozo

Lima EL NACIONAL in Spanish 1 Dec 85 p 11

[Interview with Franklin Acosta del Pozo, mayor of Ate Vitarte, in that municipality; date not given]

[Text] Franklin Acosta del Pozo, who is married, has two children and is 38 years old, has in recent weeks become one of the strongest candidates to compete in the IU [United Left] for the seat presently occupied by Alfonso Barrantes Lingan. Whether he is successful or not, will obviously have to do with what happens in the coming months on this front internally, but for the time being, he appears as the most visible leader in a contest which will inevitably become very harsh.

Mayor of Ate Vitarte since 1980, Acosta has experience and charisma working for him, those who have known him well for some years say. On the one hand, he has made his administration one of the most efficient. "From a council which had a deficit of 200 million soles," he says, "we have created a municipality which in this year alone, has invested more than 4 billion soles in projects." In talking with him in his office as mayor of Ate Vitarte, while he was waiting to receive some delegations from new settlements, we asked him about his view of the present municipal administration.

[Answer] In my view, there are successful district councils such as that of Chorrillos, Independencia, Surco, Villa El Salvador, and, naturally, our own.



Not for personal reasons, but because there are projects here to prove it. And there are bad municipalities, such as Brena.

[Question] Does this mean that the APRA is not ensuring good municipal administration?

[Answer] No, in my view it does not. Perhaps the administration of Rosa Carbajal in Ica could be called positive, but nothing more.

[Question] Why then is Ate a successful municipality, on the other hand? Because its mayor says so?

[Answer] No, it is not a question of what its mayor says. It is the reality. Remember, first of all, how we were taxed within our district limits and on our resources under the preceding government, despite the fact that it is known that we are a sector with a vast population in young settlements. No attention was paid to this. But you see, we continue to progress, with our people, working here with our technicians and personnel. Now we have recovered and we can say with pride that projects have been carried out thus far this year vastly exceeding what we had planned. Numerically, we have carried out more than 100 projects involving environmental cleanup, electrification, roads, tracks and athletic fields between 1981 and 1985. For example the central highway has been provided with electrical facilities, and in the "Glass of Milk" program, we are serving more than 90 percent of our students. And we have just completed a development plan up to the year 2000.

As you can see, we are thinking of the future. It does not matter whether the men who follow us belong to the United Left or not. Apart from this, we wanted to leave a line, a plan, for those who follow us in the council. But in addition, faithful to our proposed "municipality for all," we are working with the architect Eduardo Orrego, who will be responsible for the entire water, light and sewage project, for Huaycan, the road plan and full cleanup of the district.

[Question] You are being mentioned as the IU candidate for the post of mayor of Lima. What real prospects has the left of getting in again, in view of the support which the APRA seems to continue to have and the deterioration the leftist candidacy for Lima council administration seems to have suffered?

[Answer] First of all, I would like to specify that the talk about my candidacy is the result of the sympathy of some friendly journalists and comrades at the base level. There is nothing concrete yet. Moreover, I personally think it is too early to speak of candidacy, of specific names, when the whole great task to be carried out in our community still remains ahead. But now that the question has been asked, and apart from personalities, as a simple base-level militant in the United Left, I would like to begin by saying that the IU has suffered no deterioration municipally. On the contrary, the administration of Dr Alfonso Barrantes, above and beyond the difficulties encountered, with the economic limitations, working with an extremely demanding and inefficient trade union bureaucracy, and as if that were not enough, having the central government controlled by a group with a different ideology--despite this, I repeat, the administration has been on

balance positive. And today this can be more strongly sensed. There is a continuing effort which has begun to develop.

[Question] In connection with changes, this government ran on a platform of change. Since you have even been described as pro-APRA, because of your presumed relations with some leaders, Dr Alan Garcia in particular, what is your assessment of this government, as a mayor and member of the IU?

[Answer] There is an error here. I am not pro-APRA, nor am I going to be. My affiliation is socialist, and for this reason I belong to the IU and to its base level. What has happened is that the president of the republic has referred to me in terms of praise on more than one occasion, for which I thank and respect him, but they in no way alter my political affiliation. That is one thing. Going to the heart of the question, I believe, and there is nothing pro-APRA in this, that in general terms there has been positive administration to date, but there are indications that continue to concern us, such as a violation of human rights. I think that the APRA will try to bypass the president personally in order to deal with the reality which is far from what has been announced from the balcony. In economic terms, there are serious limitations. The measures adopted are of a temporary sort. The program of the APRA as a government moreover, is not known. We do not know what the future actions will be, what will happen in the coming months, or what the parameters for the continued conduct of the country will be. I think that this realm, the economic sector, is the most difficult for this government, and to the extent that, due to its own limitations, it finds itself prevented from effecting the great changes the country needs, its difficulties will inevitably continue to increase, and after a period of grace the crisis may become dangerously more acute. This would be my opinion.

#### APRA Selection Speculated

Lima CARETAS in Spanish 2 Dec 85 p 19

[Text] Although there is still almost a whole year before the next municipal elections will take place, facts and predictions are already being put forth in Alfonso Ugarte on the options the APRA will offer for these elections.

The APRA candidates will be chosen in an internal electoral process, which will occur, as did that in 1983, in the month of June, although it is not believed that the precandidates will be known prior to Brotherhood Day.

Cordial talks are already taking place among the supporters of those who are now the most frequently mentioned as potential choices for the APRA candidate for the post of mayor of Lima. One is the present minister of interior, Abel Salinas, and another is Dr Jorge del Castillo, who has been heading the prefecture of Lima. It is very difficult to predict, since the two have worthy party records and their personal background includes sufficient municipal experience. Salinas was even a municipal councilman in Lima under the last regime, while del Castillo was mayor of Barranco.

5157

CSO: 3348/279

PERU

## NEWSPAPER PUBLISHES CONCLUSION FROM STUDY ON POLICE FORCES

### Selection, Training Requirements

Lima EL COMERCIO in Spanish 6 Dec 85 p A-11

[Text] There is majority support for the idea that the police forces should be unified, in order to avoid the unnecessary waste of economic effort, personnel, etc., leading not to efficiency but to mistrust, disorder, shameful friction between the members of the various establishments, and confusion of functions, as well as responsibilities.

This is one of the most important conclusions provided by those questioned in a report on the organization of the various police forces which have just been put out. The majority demand that unity of command be gradually achieved until such later time as the bodies can be unified.

The president of the Friends of the Civil Guard Foundation, Arturo Woodman, as well as Parliamentarians Jorge Torres Vallejo and Luis Bedoya de Vivanco, who particularly urged that unification should begin with the operation of a single school, agreed that a single police force which could be called "national" should be established.

Opinions were also provided by various officers, including Colonels Isaias Moron Espinoza, Alejandro Hernandez, Dino Baca and Enrique Pajuelo.

Minister of Interior Abel Salinas Yzaguirre, president of the commission entrusted with the reorganization, said for his part that the first fruits of the task being carried out with a view to unification of the police forces can already be seen in the joint actions undertaken by the three institutions.

It was indicated in the report that the level of technical and moral training of the police, especially the lower ranks, is dubious. Also the preselection process for those matriculating in the various schools is inadequate, and this is one of the primary factors in the later behavior of the custodians of law and order.

No one is satisfied with the training of the lower police ranks in an accelerated course of only 6 months, during which period they fire six bullets, some of which are not suitable for use, on only one occasion.

Peruvian psychiatrist Carlos Alberto Seguin and others who were interviewed expressed the view that one basic aspect in any police establishment in any part of the world is moral or psychological training. He said that without such training, an agent can readily be "contaminated" by the constant close association with precisely that crime he is supposed to combat.

In this connection, Minister Salinas said that the process of selecting candidates should be reviewed. They should have an aptitude and a solid ethical foundation if they are not to fall readily into error.

#### Working Conditions, Benefits

Lima EL COMERCIO in Spanish 7 Dec 85 p A-9

[Text] Crime, which is on the constant increase in this country, has substantial allies in the inadequate conditions under which the police live and work, which offset their efficiency. This is one of the conclusions reached by those interviewed in the drafting of this report.

For example, the police are faced with tuberculosis (some 450 policemen contract this disease every year), low wages (the average is 1,200,000 per month), unhealthy housing in new settlements (80 percent live there), poor health care (medicines must be obtained from Lima and in some provinces, hospital centers are lacking).

The police have access to free medical service only when they are unlucky enough to be injured in the line of duty. The fact that one never ceases to be a policeman is not taken into account. They must take even thermometers and bandages to the hospital, and in the end, they are charged for everything.

To this must be added the very bad working conditions, due to the lack of equipment, and the technical advances from which criminals generally benefit. There are dingy police stations and commissariats (to speak only of those in Lima, which are the best) where the citizens are insulted, because the first thing the police ask them (force the citizens to provide) are office items, fluorescent lights, etc., because the state has not provided an adequate budget, thus contributing to the deterioration of police morality.

The police operate raffles and bingo games and sell key rings and a number of other items, either through the civic committees or by order of certain officers, who in addition commit a series of abuses with the lower ranks.

Not to speak of the police bazaars, where things are more costly than in the street shops. Currently, the GR [Republican Guard] bakery is selling sweet buns at 40,000 soles each, while turkeys go for 30,000 soles per kilogram, but only from a single firm and from 7 kilograms up. The problem will come later with the discounts.

All this and some other things come together to demoralize the police.



## Reorganization of the Police

The surveys all agree that the police forces need reorganization, but they all, except of course for Minister Salinas Yzaguirre, say that the way in which this is being carried out is not the proper one. Among the harshest critics is APRA [American Popular Revolutionary Alliance] Senator Jorge Torres Vallejos himself. "The government is committing many errors, among them one which is difficult to correct. That is the dismissal of officers without explaining the reason for the decision. This does harm to individuals."

Also, Deputy Bedoya de Vivanco says: "At least to date, what has been done does not serve to improve and change things. It is good to seek morality, and national conciliation, but without using scapegoats." Also, an expert, GC [Civil Guard] Colonel (Ret.) Hernandez Sanginetti: "Doing this without a technical plan, without calm and by attacking individuals' dignity--this cannot be called good."

Minister Salinas Yzaguirre admits that "it is probable that we are not achieving what we hoped to, but everything is like that. That is how the country is. Where is there a sector which is pure?" Concerning the criticisms, he says that these always exist, "and we do not claim to be perfect, nor to have chosen the best of paths. The important thing is we are advancing."

### What Should Be Done?

According to Arturo Woodman, president of the Friends of the Civil Guard Foundation, the subordinate personnel should be suitably trained, apart from unification of the police forces. "It is important that the future policemen be given at least about 18 months of training, within which they can be provided with greater technical knowledge and imbued with a sufficient sense of responsibility."

In the view of GC Colonel Dino Baca and IP [Investigative Police] Colonel Enrique Pajuelo, the key leaders of the Association of Officers retired because of the reorganization of the police forces, a structure should be designed consistent with what is needed to provide the community with good service, and plans for the new organization should be laid such as to "put within it the men which are needed, and if we do not have them, they should be trained."

Senator Torres Vallejos commented that the basic thing is "to determine how the new policemen will be trained, how they will be made professional, how ethics will be inculcated in them, what wages they will earn, etc."

Deputy Bedoya de Vivanco expressed the view that "we should move toward creating an efficient system, which involves not only better training, but also better conditions. Reform is for improvement, which in this case is not occurring. Heads are rolling, nothing more, and many errors are being committed."

"Reorganization is a healthy practice," GC Colonel (Ret.) Hernandez Sanguinetti maintained. "It means adapting the internal structures of a body so that it can provide optimal yield in terms of what is required."

Police Officers Retired Within the Reorganization Measures (Law 24294)

	<u>Civil</u> <u>Guard</u>	<u>Republican</u> <u>Guard</u>	<u>Investigative</u> <u>Police</u>	<u>Health</u> <u>Police</u>	<u>Total</u>
Lieutenant generals	5	0	3	0	8
Generals	18	10	19	6	53
Colonels	40	18	78	0	136
Lieutenant colonels	29	4	43	0	76
Majors	33	10	53	0	96
Total	125	42	196	6	369

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PERU

# PESCAPERU ANNOUNCES THREE NEW PRODUCTS FOR HUMAN CONSUMPTION

Lima EL COMERCIO in Spanish 8 Dec 85 Dominical p 2

[Text] PESCAPERU [State Fishmeal and Fish Oil Production Agency] has announced that three products are being placed on the domestic consumer market. Two of them, dried and salted fish and salt-cured sardines, are well-known, mainly on the northern part of the Peruvian coast. The third is a new food product, crackers with a fishmeal base.

The dried and salted product will utilize mainly sardines. We presume that sardines with the highest fat content will be used to avoid excessive rancidity (unless an antioxidant such as BHT [butylated hydroxytoluene]). On the other hand, it should be noted that salt-cured sardines last a short time in good condition, and thus must be consumed almost immediately. Also, we are informed that sardines will also be sold canned in saturated brine. This would improve the quality of the product, but we must note that the container would increase the cost of the product.

We believe that the sale of the products mentioned on the domestic consumer market, if implemented in sufficient volume, would be a good thing. These products are well-known in our country, but unfortunately they have not had wide public acceptance because of the problem of bones. We have taken up this problem repeatedly, proposing the steam treatment of sardines under pressure, whereby fishbones can easily be softened. In this connection we have proposed that the state should contribute so that the groups with the most limited assets could purchase cheap pressure cookers. But as this project could only be carried out over the relatively long run, the problem could be dealt with in the short term by adapting the present popular dining rooms, and establishing new ones, such that they could offer sardines with softened bones, as is the case with the canned products. In this connection, it would also be necessary to establish fish markets using special technology. Obviously, there could be no question of itinerant vendors, since really model fish markets would be needed, equipped with refrigeration facilities, steam pressure sterilizers and, naturally, abundant supplies of electricity, gas and water.

There is no country in which there is heavy consumption of fish products which does not have the proper infrastructure for the retail sale of this delicate but basic foodstuff. We know that there are plans to build four large markets

for fishing products. This is only the beginning of what is required for Lima, as the main consumer center. Japan has 3,000 fish stands and fish markets with refrigeration facilities for 2,000 inhabitants, 90 percent of them served by between one and four employees. Let us learn from this example, so that PESCAPERU can become the main supplier of fish products in the country, leaving the production of fish meal aside.

In any case, we must say that the proposed placement of dried and salted fish and salt-cured sardines on the market announced by the manager of PESCAPERU is excellent, provided of course that the minimal conditions required by technology and hygiene are fulfilled. But we must state, on the other hand, that we are deeply concerned by the PESCAPERU announcement that crackers will be made from fishmeal. This is because it is only too well-known that fishmeal is not a food for human consumption. If this product is to be used, it should be only as a protein concentrate, which requires highly refined technology. If fish meal is used directly, it is a great danger to human health, above all for children.

Thus the announcement by the manager of PESCAPERU involves something which often happens in life--one good thing complemented by a bad one. We hope that the good will be retained and the bad withdrawn.

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PERU

#### BRIEFS

APRA BACKS USSR COOPERATION--In statements made in the Soviet Union, Armando Villanueva, secretary general of Peru's American Popular Revolutionary Alliance, said that the cooperation that the USSR will give to Peru will in no way affect the sovereignty of the Peruvian people. This cooperation represents a great step forward for Peru because it will help the country's economy. In addition, he said that the Peruvian Government is interested in receiving Soviet help in various areas. Top Soviet officials have a great interest in and an understanding of the difficulties affecting Peru and are ready to give immediate help. As everyone knows, Villanueva is visiting the Soviet Union at the invitation of the Soviet Committee for Solidarity With Latin American Peoples. Meanwhile, following a thorough analysis, the Peruvian Government made official an issue of the Quechua and Aymara alphabets. This work, following many studies by scientists and experts of the University of Peru, will be very useful to strengthen the Quechua and Aymara languages and will be published by the Culture Institute. [Text] [Havana International Service in Quechua 2200 GMT 27 Dec 85 PA] /12232

EXECUTIVE BRANCH TO APPOINT ENVOYS--The Executive Branch of Peru has requested permission from the National Congress to appoint new ambassadors to Nicaragua and Cuba. As is known, Peru currently maintains relations with those two countries at the level of charge d'affaires. The Executive Branch proposed the names of Carlos Higuera Ramos and (Armando Lescaro Casio) as ambassadors to Cuba and Nicaragua, respectively. [Text] [Havana International Service in Quechua 2200 GMT 13 Dec 85] /9365

HIGHWAY CONSTRUCTION DECENTRALIZED--In the future the municipalities and the Departmental Development Corporations will be responsible for the coordinated execution of activities for the planning, construction, improvement and maintenance of the local and department road network. This provision was established by the government, within its decentralization plan, by means of Supreme Decree 062-85, promulgated yesterday. The document provides that the Ministry of Transportation and Communications will be responsible for the work pertaining to the national highway network, including bridges and structures along the main roads crossing the length and breadth of the country. The document says that it is necessary to establish the scope of action for the Ministry of Transportation and Communications, the development corporations and municipalities which regard the construction, improvement, repair and maintenance of the country's roads. [Text] [Lima EL COMERCIO in Spanish 30 Nov 85 p A-1] 5157

HYDROELECTRIC PLANT LACKS FUNDS--Arequipa, 30 Nov. Installation of the generating and electromechanical systems for the Charcani V plant is 90 percent complete. The civil engineering, though, has been delayed by economic and financial problems. Work on Charcani is proceeding at a pace 50 percent of normal, it was reported, and this will continue for however long it takes the government to finance the program. The electromechanical work, the installation of generators, turbines, and other components in general are being done in accordance with the plans. The major delay in the civil engineering work concerns the tunnel and aqueduct from Aguada Blanca, which will provide the water to power the turbines, in order to generate 135 megawatts, though this will be done in stages. At a recent nationwide meeting on industrial engineering held in Arequipa, a decision was made to ask the government to grant priority to the completion of this huge power plant, and also to request delivery of studies for the two hydroelectric plants of Lluta and Llucila, part of the integral Majes regional development project. This is a plan to produce no less than 656 megawatts, using waters from the Condoroma dam--which has already been completed--and from the Angostura dam, whose storage capacity will be 1,285 cubic meters of water. [Text] [Lima EL COMERCIO in Spanish 1 Dec 85 p A-16] 7679

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VENEZUELA

FOREIGN MINISTER ON OAS CHARTER, OTHER ISSUES

Article Eight Reforms

Caracas EL NACIONAL in Spanish 6 Dec 85 p A-1

[Text] Cartagena, 5 Dec (UPI)--The foreign ministers of Argentina and Venezuela, Dante Caputo and Simon Alberto Consalvi, respectively, have accepted the decision of the Organization of American States (OAS) to amend the much-discussed Article 8 of its charter, while at the same time launching work in the assembly again to strengthen its tools.

Article 8 deals with the inclusion in the OAS of countries with territorial problems, and with the approval of the amendment, the nations of Belize and Guyana will be able to join the regional organization. Foreign Minister Consalvi said in talking with journalists that Venezuela "deemed it necessary to keep this article in the charter, as opposed to some other nations who proposed its total elimination.

"In the end, a spirit of consensus and compromise prevailed in this assembly, thanks to the good offices of the foreign ministers of Brazil, Peru, Uruguay and Jamaica. We agreed to the amendment of the article," Consalvi explained, after an exhausting work day ended at 1:30 this morning.

"The reasons leading to this consensus and this compromise, naturally, were basically the relations Venezuela has with the Caribbean countries, the importance we assign to them, and the desire for harmony in these relations," Consalvi said.

Definition of OAS Role

Caracas EL UNIVERSAL in Spanish 4 Dec 85 p A-6

[Text] Cartagena, 3 December (AFP)--The excuses Latin America can use for failing to deal with the political, social and economic problems plaguing it are nearly exhausted, Venezuelan Minister of Foreign Affairs Simon Alberto Consalvi said today in an address to the 14th Special Assembly of the OAS.

He therefore urged the governments in this hemisphere to make a sincere examination of their desires, in order to focus efforts on the most critical



problems in the region, such as the maintenance of peace and security, which are threatened in Latin America, and the extremely "serious" economic situation on the continent.

"Either we will change our societies, democratize our institutions and establish mechanisms for joint cooperation or we will not make progress in the future," Consalvi said. He added that the OAS can only be what its members are.

So that this organization can play a role better adapted to the contemporary problems in the hemisphere, the Venezuelan foreign minister voiced his agreement with Colombia on the allocation of "broader" functions to the secretary general.

He also said he supports the proposed amendments to the organization's Inter-American Treaty for Peaceful Solutions, better known as the Bogota Pact.

Consalvi also joined the majority of foreign ministers who have to date spoken at this special OAS session and who have stressed the need to defend continental democracy.

He expressed the view that political democracy is not an end in itself, but a mechanism for achieving social and economic democracy, and he urged the governments in this hemisphere to orient their actions toward that goal.

He went on to complain that contrary to what might have been expected, in view of the misfortunes and crisis on the continent, the various nations have adopted individualistic and egotistical positions, instead of joining their efforts and desires.

"Let us not deceive ourselves. This is where the cause of the crisis lies," Consalvi said. He went on to emphasize that "we must reach agreement on the structure we want and can impose on our organization, and this is perhaps the most important, and therefore the most difficult, thing."

Finally, Venezuela, like some other countries, indicated its support of giving the OAS a more universal aspect, stating in this connection that "we must become aware of the changes in attitude which are necessary in order to internationalize it."

#### Better Understanding With United States

Caracas EL NACIONAL in Spanish 6 Dec 85 p A-23

[Text] Cartagena, 4 December (AP)--Venezuelan Minister of Foreign Affairs Simon Alberto Consalvi said today that, with the amendments made, the OAS is ready to play a transcendent role, but everything will now depend on "understanding between the United States and ourselves."

Speaking as the representative of his colleagues who signed the Cartagena de Indias Protocol, which made important amendments to the OAS charter, Consalvi



said that this body will now be "better suited to playing a role of great importance.

"But obviously, this will not be enough. Everything will depend on the will and the determination of the member nations, the vigor with which we are able to imbue it, the influence we are willing to give it, the use of its structures and perseverance in the decisions adopted," he said.

Consalvi noted that Latin America is changing. "The Caribbean is changing and we are all seeking new paths. Our capacity to influence these phenomena and to guide them, to the extent that this is possible, will depend on an understanding of them.

"But it will also depend on the understanding between the United States and ourselves," he said.

The Venezuelan foreign minister warned that the failure to understand that "the vast unemployment" plaguing the continent and the current social conditions will have political-strategic consequences "is a regrettable and tragic error the results of which cannot be foreseen."

He said that few times in the course of Latin American history has "the economic independence of our countries been as ominous and severe as is the case in this decade of the 1980s.

"We must learn from the past and coordinate every possible effort so that the emergency we are now experiencing or suffering from will not substantially affect either the stability and welfare of our countries or our capacity to negotiate and engage in dialogue in other international bodies and sectors," he said.

Consalvi emphasized that it is necessary to encourage, strengthen and develop cultural exchange, "overcoming the barriers of apathy and personal interest."

He recalled that the continent has "the best novelists in the world and profound modern thinkers," and he said that he referred to this "because it is simply the best evidence of our capacities. To utilize them and develop them in other sectors will guarantee that we can play...a more worthy and more significant...role in the world."

Consalvi said that the broader authority granted to Joao Baena Soares, secretary general of the OAS, "are not supernatural powers. We must give him effective and dynamic support, and hope that the OAS will always have secretary generals of the kind he is."

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